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THE OPIUM EMPIRE: JAPAN AND THE EAST ASIAN DRUG TRADE, 1895-1945

A DISSERTATION SUBMITTED TO THE GRADUATE DIVISION OF THE UNIVERSITY OF HAWAII IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN HISTORY DECEMBER 1995

By
John M. Jennings

Dissertation Committee:
John J. Stephan, Chairman
Yong-ho Choe
Richard H. Immerman
Harry J. Lamley
Robert B. Valliant
Michael Klimenko
ABSTRACT

The significance of the opium and narcotics traffic in Japanese history has been largely forgotten by scholars. Narrowly avoiding the pitfalls of the opium trade when opened to intercourse with the Western powers in the mid-nineteenth century, Japan came into contact with the drug traffic as an imperial power in its own right. From the time of the annexation of Taiwan in 1895 to the end of the Second World War in 1945, opium and narcotics use was widespread in the territories of Asia under Japanese control. So unsavory was Japan's record on drug control that the International Military Tribunal for the Far East concluded that Japanese military and civil officials had pursued a policy of deliberately promoting opium and narcotics abuse in order to debauch the people of Asia into submission. A re-examination of Japan's fifty-year connection with opium and narcotics in East Asia reveals, however, a more complicated interplay of factors behind official policy.
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PREFACE

This study originated in 1987 with a seminar paper on the Kwantung Army and the establishment of an opium monopoly in Manchukuo, and subsequently developed into a comprehensive history of Japan's role in the opium and narcotics traffic in Asia from 1895 to 1945. It is based primarily on Japanese-language sources, and the diffuse nature of the topic necessitated research into a wide range of unpublished and published materials. Most unpublished sources were found at the Japanese Foreign Ministry Archives. Collections of published documents such as Nihon gaiko bunsho [Documents on Japan's foreign policy] and official publications also provided useful information, although the latter, particularly those of the Japanese colonial governments and the Manchukuo regime, required judicious handling in view of the tendency to propagandize official policies. Remaining gaps in the research were filled with contemporary published sources, recent Japanese secondary literature, and Western-language materials.

Japanese terms are romanized according to the modified Hepburn system employed in Kemkyusha's New

Unless otherwise specified, for the purposes of this study 'opium' is defined as the juice of the white poppy (Papaverum somniferum). In its original state it is called raw opium, and when processed for smoking it is called prepared opium, or smoking paste. 'Narcotics' are primarily the opium derivatives morphine and heroin, and also cocaine, which is derived from the leaf of the coca plant (Erythroxylon coca). Throughout this study, the term 'drugs' will be used alternately with 'opium and narcotics'.

Finally, I would like to acknowledge a debt of gratitude to the many people whose assistance facilitated the research and writing of this dissertation. Professor John Stephan, who introduced me to the topic of opium and narcotics in Japanese history many years ago, has been a constant source of inspiration and guidance as my dissertation advisor. The other members of my committee, Professors Yong-ho Choe, Richard Immerman, Harry Lamley, Michael Klimenko, and Robert Valliant, have encouraged me to consider Japanese history not merely as an isolated entity, but within the broader context of interaction with China, Korea, Russia, and the United States.
I also owe a debt of gratitude for the kind assistance I received while conducting research in Japan. Professor Linda Grove, who acted as my dissertation advisor at Sophia University, helped to acquaint me with the many research resources in the Tokyo area, and also critiqued early drafts of the dissertation chapters. Professor Eguchi Keiichi of Aichi University generously shared insights gained during his own research into the opium and narcotics traffic. I would also like to thank the knowledgeable staffs of the following institutions in Tokyo: Sophia University Library; the National Diet Library; the Tōyō Bunko; the Shakai Kagaku Kenkyūjo and the Tōyō Bunka Kenkyūjo of Tokyo University; and Tokyo Toritsu University Library. I am especially indebted to the staff of the Japanese Foreign Ministry Archives, and in particular, Imafuku Kōji, Kobayashi Ken'ichirō, and Shiraishi Masaaki.

Last but not least, I wish to extend my deepest appreciation to my friends and family, who provided me with support, both moral and material, during the research and writing of the dissertation. I could not have done it without their help. To my wife Kayoko, I owe the greatest debt of gratitude for her patience, encouragement, and unwavering faith.

Any mistakes are, of course, the responsibility of the writer alone.

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INTRODUCTION

The historical legacy of Japanese imperialism in Asia is fraught with controversy. Some aspects of that legacy, such as the forcible procurement of women to serve as sex slaves (known euphemistically as "comfort women") in Japanese military brothels, have only recently come to light, but still evoke strong emotions in the nations that were affected. Others were contentious issues in their day, but are now largely forgotten. The purpose of this study is to re-examine one of the latter: Japan's role in the opium and narcotics traffic in Asia.

At first glance, the historical linkage between Japan and the drug traffic is a tenuous one. Unlike the case of China, there was no "opium war" when Japan was opened to intercourse with the Western powers in the mid-nineteenth century, and consequently, the habit of opium smoking did not spread to the Japanese people. Even today, drug abuse is virtually non-existent in Japan--a remarkable contrast to the United States, for example.

Ironically, contact with the opium and narcotics trade came not as a result of the depredations of Western imperialism, but rather due to Japan's emergence as an
imperial power in its own right. With the annexation of Taiwan in 1895, officials of the nascent Japanese colonial empire were faced with the task of formulating a policy to cope with the island's large number of opium smokers. Similarly, the annexation of Korea in 1910 necessitated official attention to the problem of drug control.

Moreover, the extensive penetration of Japan's political and economic influence in China was accompanied by increasing involvement in the opium and narcotics traffic. This was to prove especially controversial during the 1930s, when revelations of unsavory doings in Japanese-occupied areas led observers in China and the West to accuse the Japanese army of consciously fostering the drug traffic in order both to raise revenue and to demoralize the Chinese people. That accusation was later upheld in the judgement of the International Military Tribunal for the Far East, which found that the deliberate promotion of opium and narcotics abuse in China had indeed taken place under Japanese auspices.

A study of Japan's involvement in the drug traffic in Asia would seem to dovetail two topics of perennial interest: namely, the nature and legacy of Japanese imperialism in Asia, and the political, economic, and social ramifications of drug abuse. Yet, the connection has largely escaped the attention of historians. Postwar
Japan has witnessed the fitful appearance of memoirs, journalistic exposes, and the occasional scholarly work on the opium trade. The last category consists for the most part of a scattering of journal articles, though two monographs of note were published in the 1980s: Ryū Meishu's *Taiwan tochi to ahen mondai* [Rule over Taiwan and the opium problem], a closely-researched study of the opium problem on Taiwan during the period of Japanese colonial rule, and *Nitchū sensō ki ahen seisaku* [Opium policy during the Sino-Japanese War], in which historian Eguchi Keiichi examines the opium policy of the Japanese-sponsored regime in Inner Mongolia. On the other side of the Pacific, the most recent work available is *Japan and the Opium Menace*, a 1942 monograph by Foreign Policy Association researcher Frederick T. Merrill.

Several factors may account for this relative lack of scholarly interest. First, there is the problem of access to sources. It is likely that many documents relating to the opium and narcotics trade were lost or destroyed during the war, or else were burned by Japanese officials before they could be confiscated by the Allied occupying forces. Moreover, any surviving Japanese documents that may have been seized by Chinese and Soviet military forces in China at the end of the war are likely to remain buried in Russian and Chinese archives.
Methodological considerations may be a second inhibiting factor. Are issues of drug abuse, the international drug traffic, and drug control the proper concern of the historian? Or are they better left to social scientists and medical experts? Any doubts on that score, however, have been resolved successfully by American diplomatic historian William Walker in his groundbreaking works on international drug control in Latin America and Asia.

Third, the whole question of Japan's role in the opium and narcotics trade in Asia might seem to be a historiographical non-issue. After all, the International Military Tribunal for the Far East (IMTFE) found Japan guilty of deliberately promoting drug abuse as a weapon to further its imperialistic aims in Asia. Indeed, the conclusion of the IMTFE has remained the dominant postwar interpretation of the motivation behind Japanese involvement in drug trafficking, receiving further support in the recent works of Japanese historian Eguchi Keiichi, who argues that Japan's record on opium and narcotics in China did indeed constitute a war crime. Case closed.

Or is it? The IMTFE interpretation is based primarily on Japan's record in China during the 1930s, which is only part of the story of Japan's historical connection with the drug traffic. Given that the purpose of the IMTFE
was to indict and punish rather than establish historical truths, this lapse is not surprising. By failing to contextualize, however, the IMTFE interpretation (backed by Eguchi's findings) leaves significant lacunae in our understanding of Japanese motives and aims vis-a-vis the opium and narcotics traffic. For example, we learn from the IMTFE proceedings that the Manchukuo regime established a government opium monopoly, but less clear is why the authorities chose a monopoly system as the means through which to administer the opium trade. We also learn that Japan was one, if not the largest source of illicit narcotics in China in 1930s. But how was Japan, which was virtually free of drug abuse itself and lacking the industrial capability to produce narcotics until the end of World War One, able to achieve this dubious distinction so rapidly?

This study aims to provide the historical context lacking in the IMTFE's findings, an admittedly broad undertaking. It covers a fifty-year period, from the annexation of Taiwan in 1895 to the end of World War Two. In geographical terms, the ramifications of Japan's involvement with opium and narcotics touched upon the colonial possessions of Taiwan and Korea, the network of economic and territorial concessions in China which amounted to an "informal empire", and the territories
of China and Southeast Asia occupied by Japanese military forces from 1931 to 1945.*

Given the extent to which drug use permeated the politics, economy, and culture of Asia, it was inevitable that Japan's rise as an imperial power would lead to contact with, and increasing involvement in the opium and narcotics trade. This study argues that the nature of that involvement cannot be understood simply in terms of a conspiracy to drug the people of Asia into submission, but rather as indicative of the general twists and turns of Japanese imperialism. Thus, opium and narcotics emerge not so much as a weapon of, but rather as a metaphor for Japanese imperialism in Asia from 1895 to 1945.

*The discussion of Japanese drug trafficking activities in China during the 1920s will focus on Manchuria and northern China. Although it was widely suspected that Japanese and Taiwanese were closely connected with the opium and narcotics trade in Fukien Province, a scarcity of documentation renders the nature and extent of that connection much less clear than the case of northern China.
"Is there any other point to which you would wish to draw my attention?"
"To the curious incident of the dog in the night-time."
"The dog did nothing in the night-time."
"That was the curious incident," remarked Sherlock Holmes.

-Sir Arthur Conan Doyle
"The Adventure of Silver Blaze"

By the middle of the 1800s, drug abuse, most commonly in the form of opium smoking, had become a widespread problem in Asia. Nowhere was the impact of opium more apparent than in China, where it served as the immediate casus belli of the Opium War, an event that heralded the beginning of China's decline to the status of "sick man" of Asia, carved into spheres of influence by competing foreign powers. Moreover, the inability of the Ch'ing dynasty to control opium only served to exacerbate the spiralling domestic chaos in China during the second half of the nineteenth century, chaos that was undermining the stability of the dynasty itself.

For Japan, the latter part of the nineteenth century was also a period of upheaval. The traditional policy
of limiting foreign contacts ended with a series of humiliating unequal treaties concluded with the Western powers, while domestic political turmoil culminated in the Meiji Restoration of 1868. The tribulations of the times, however, did not deter statesmen of both the Tokugawa Shogunate and fledgling Meiji government from a commitment to prevent the spread of opium smoking to Japan.

Acutely aware of the destructive effects of drug abuse in China, Japanese statesmen combined diplomatic efforts to forestall the Western powers from introducing the opium trade with strict domestic control measures. As a result, while China was struggling to cope with an estimated fifteen million addicts by 1890, instances of opium smoking in Japan were virtually unheard of.¹

Because addiction did not wreak the havoc on Japan that it did on China, the significance of opium's role in Japanese history from the middle to the end of the nineteenth century has largely been overlooked. A survey of the prohibition measures of the Tokugawa Shogunate and Meiji government underscores just how important a role the opium problem played in the thinking of Japan's leaders at the time.
Opium Control in the Tokugawa Period

The Development of the Domestic Opium Market

The circumstances surrounding the introduction of the opium poppy to Japan are shrouded in obscurity. It may first have been cultivated by Buddhist priests of the Tendai and Shingon sects for use as an altar offering.² Most sources, however, record that the poppy arrived during the Ashikaga period, when it was introduced from India to Tsugaru, in northern Japan (the western part of present-day Aomori Prefecture). The northern point of origin is suggested by the fact that the poppy was first called tsugaru by farmers, rather than keshi (poppy).³

By the Tokugawa period, knowledge of the medicinal properties of the opium poppy, gleaned from traditional Chinese medical texts, was widely disseminated in Japan. For example, the Wa-Kan sansai zūkai, a popular medical reference book published in 1713, mentions that pills consisting of opium, fragrance of woods, and yellow lotus were efficacious as a cure for diarrhea. Druggists compounded other opium-based medicines from secret family recipes and sold them on the open market.⁴

As the demand for medicinal opium increased, poppy cultivation spread southward from Tsugaru. In 1837 a farmer named Ueda Shinobei was encouraged by an Osaka druggist to begin poppy cultivation in his home village of Nishimen,
in Settsu Province (part of present-day Osaka Prefecture). Ueda must have been successful, for in 1849 farmers from the neighboring village of Megaki obtained seeds from Nishimen and also began to grow poppies. In 1852, the Osaka drug wholesaler Enomiya Saburobei commissioned a farmer named Hikozaka Rihei to travel to Tsugaru in order to study poppy cultivation and harvesting techniques. On his return, Hikozaka began to cultivate poppies in his home village of Fukui, also in Settsu.

From those beginnings Settsu emerged as the major opium-producing area of Japan, due largely to its proximity to Osaka, the traditional center of the Japanese pharmaceutical industry. As many as ten thousand farmers in Settsu may have been engaged in poppy cultivation by the time of the Meiji Restoration, most of whom carried it on as a lucrative side business. Until 1870 the domestic trade was conducted without government regulation; farmers sold their harvests of raw opium to brokers for cash, and the brokers in turn sold the opium to Osaka druggists.

Opium and the Opening of Japan

To the Tokugawa Shogunate, China's humiliating defeat in the Opium War (1839-1842) was fraught with unpleasant possibilities for Japan. Not only did the Shogunate fear that an aggressive Britain would turn its attention toward
Japan, but also that the opium trade would accompany foreign aggression. As Japanese who were cognizant of the situation in China must have realized, the devastating effects of opium smoking on Chinese society served as an object lesson on the dangers of allowing the habit to spread to Japan. 8

The Shogunate's fears of the spread of opium smoking to Japan persisted, and perhaps were even heightened, after the arrival of Commodore Perry's squadron in Edo Bay in July 1853. Townsend Harris, the first American consul-general in Japan, played upon those fears during negotiations with the Shogunate over a commercial treaty. Harris dwelled at some length on the opium problem during talks with Hotta Masayoshi, a senior Japanese official, in December 1857:

Opium has been the cause of the troubles in China. Thirty years ago opium was used only at one place, near Canton, in China, but now it is used in many parts by millions of people, who spend vast sums to obtain it. I have heard that two years ago, China imported opium to the amount of $25,000,000. Opium is the one great enemy of China. If it is used it weakens the body and injures it like the most deadly poison; it makes the rich poor and the wise foolish; it unmans all that use it, and by reason of the gisery it brings robbers and acts of violence increase.

Noting Britain's role in hindering opium control in China, Harris then warned Hotta that the British were planning to expand the trade to Japan:
Though opium is, as I have said, a very bad thing for China, England will not prohibit it, because the trade is profitable. Hence the word 'opium' is not used in the treaty between the two countries.

China has prohibited the importation of opium; but the English bring it in armed vessels and smuggle it in. The Chinese officials are aware of this practice, but they have no power to put a stop to it. It appears that the English think the Japanese, too, are fond of opium, and they want to bring it here also. The English want to introduce it into Japan.

Harris declared that the United States had no such designs on Japan. He assured Hotta that American merchants would be strictly prohibited from bringing the drug into Japan; if any American were caught doing so, the Japanese authorities could confiscate the opium and "burn it or do what they please with it." Furthermore, a treaty with the United States containing a clause on opium prohibition would serve to deter England: "If you make a treaty first with the United States and settle the matter of the opium trade, England cannot change this, though she should desire to do so."

The Shogunate distributed transcripts of the Harris-Hotta interview to the daimyo and hatamoto for their opinions. Although some of those who responded questioned the sincerity of the American pledge to refrain from opium trafficking, noting that the United States was second only to Britain in the China opium trade, there was a strong consensus on the need for strict prohibition. As the lord of Tokushima han, Minesuga Narihiro, succinctly
put it, "Opium is a poison to nations. If it is not strictly prohibited, it will destroy lives." 13 Shogunal officials responsible for coastal defense and finance went even further, suggesting that military force might be necessary to repel opium traders if they were accompanied by British warships.14

Consequently, the commercial treaty between the United States and Japan signed in July 1858 contained a provision forbidding American ships from carrying more than three catties (defined in the treaty as four pounds avoirdupois) of opium to Japan. Anything over that amount was subject to confiscation and destruction by the Japanese authorities, with a fine of fifteen dollars to be levied per catty over the limit.15 Identical prohibition provisions were later included in the succession of commercial treaties that Japan concluded with the Netherlands, Russia, England, and France in the wake of the American treaty.16

Opium Control in the Meiji Period

Domestic Control

Although the Meiji Restoration of 1868 in many ways represented a break with Japan's past, one important point of continuity during the transition to rule by the government of imperial loyalists was the adherence to
a policy of strictly opium prohibition. The first statement of the new government regarding drug control was issued in June 1868, with orders to post it throughout the country:

Opium is a product that decreases a person's energy, and shortens life. Foreigners are forbidden by treaty from bringing it in [to Japan], but recently [the government] has found out that it is being smuggled in, which will lead to disaster if it spreads among the public. Buying and selling are of course prohibited, as well as smoking. Violations of the prohibition policy will be severely punished. This policy will be strictly observed in perpetuity.

The prohibition of opium smoking was the fundamental principle of the first two national drug control laws, promulgated in August 1870. The first, Penal Regulations for the Sale of Smoking Opium (Hanbai ahen-en ritsu), elaborated the penalties for violations of the prohibition policy. Sale of the drug for profit (i.e., for smoking) was punishable by beheading, while the maximum penalty for enticing persons into smoking opium was death by strangulation. Lesser transgressions, such as opium smoking itself, providing a place for persons to smoke, or purchasing the drug with the intent of sale or consumption were subject to banishment or imprisonment. Moreover, any officials who willfully failed to uphold the regulations or acted in collusion with lawbreakers were liable to the same penalties.
At the same time, the government also took steps to regulate the legitimate (i.e., medicinal) opium trade in the second law, Regulations for Handling Raw Opium (Nama ahen toriatsukai kisoku). Local authorities were ordered to examine and record the amount and quality of opium in the possession of all pharmacists within their jurisdiction, and thereafter doctors and pharmacists were required to file a report with the local authorities every time they dispensed the drug. Moreover, persons wishing to import opium for medicinal use had to obtain a special permit from the local authorities. 19

Due to the preliminary nature of the laws of 1870, revisions became inevitable. One of the chief shortcomings was the lack of legal provision for the regulation of domestic medicinal opium production. In May 1875 the head of the national drug testing laboratory reported that, due to the makeshift nature of poppy farming in Japan, there were no fixed standards for the morphine content of the domestic product. 20 Consequently, a good deal of inferior opium was finding its way onto the open market, with occasionally fatal results for those unlucky enough to use medicine produced from substandard ingredients. At the same time, a lack of confidence in the quality of Japanese opium, especially among foreign residents,
led to greater reliance on imports and caused authorities to fear an increase in smuggling and smoking.21

The government responded to this dilemma with a two-part policy. First, the quantity and quality of domestic opium production would have to be improved. In November 1875 the Home Ministry (Naimushō) issued instructions to all prefectural governors to survey production conditions. The governors in turn ordered all poppy farmers to submit reports on the amount of their harvests and methods of cultivation and harvesting for the 1874-1875 growing season. The government also attempted to ascertain the dimensions of the domestic trade by instructing the governor of Osaka Prefecture in February 1876 to investigate the amount of Japanese opium handled on the Osaka market.22

Second, Foreign Minister Terashima Munenori proposed to Home Minister Ōkubo Toshimichi in November 1876 that the Nama ahen toriatsukai kisoku of 1870 be abolished altogether, and that the government take control over the purchase, sale, and import of medicinal opium in the form of a monopoly. Terashima reasoned that if the government directly imported the drug to make up for shortfalls in domestic production, smuggling and opium opium smoking could be more easily suppressed. Ōkubo agreed, and in January 1877 a team of representatives
from the Home Ministry and Foreign Ministry (Gaimushō) completed the basic outline of a monopoly system. After a series of revisions, the monopoly plan was put into effect in May 1879 under a new law, Regulations for the Purchase, Sale, and Production of Medicinal Opium (Yakūyō ahen baibai narabi seizō kisoku).

The promulgation of the law of 1879 effectively ended the free trade of opium in Japan. Japanese farmers were obligated to turn over their entire harvests to the Home Ministry, which would analyze the opium and pay reimbursement to the farmers on a fixed scale depending on the morphine content. Any opium turned over to the authorities and deemed unfit for purchase (defined in the law as having a morphine content of less than 6 percent) was to be destroyed and no compensation paid to the farmer.

The sale of opium also came under the control of the government monopoly. Doctors and pharmacists were permitted to buy the drug only from the local authorities in 3.75-gram (1 monme in the Japanese traditional system of weights and measures) containers affixed with a stamp from the Hygiene Laboratory (Eisei shikensho) of the Home Ministry. The application of opium in medical treatments was also restricted. Druggists had to apply to the Home Ministry for a special license to handle opium, and
licensed druggists were prohibited from dispensing more than 150 grams (40 monme) at one time. Furthermore, pharmacists, doctors, and hospitals were required to make a detailed record whenever they dispensed the drug, including the patient's name and address, the amount dispensed, and the date. Pharmacists were also required to file semi-annual reports with the local authorities on the amount that they had dispensed during past six months. Violations were punishable by fines of 150-500 yen.25

While the monopoly system met the expectations of its planners in the sense that it proved a highly effective means of control, in the long run it was also responsible for virtually wiping out poppy cultivation in Japan, which ran counter to the government's plans of relying on domestic opium. At first, poppy farmers flourished under the new system, receiving payment of 6.30 yen per 375 grams (100 monme) of opium with a morphine content of 6 percent, and an 0.70 yen per additional percentage point of morphine content.26 Domestic production rose annually, from a total of 262.5 kilograms (70 kan in the traditional system of weights and measures) of raw opium purchased by the Home Ministry in 1880-1881 to a peak over over 975 kilograms (260 kan) in 1886-1887.27
Nevertheless, the quality of domestic opium continued to be indifferent, causing the Home Ministry to revise its purchasing regulations in 1887. In order to maintain medicine quality standards, the minimum morphine content of raw opium suitable for government purchase was raised from 6 percent to 9 percent; anything under 9 percent was subject to confiscation and destruction. At the same time, the government also reduced the purchase price to 4.50 yen per 375 grams (100 monme) of opium with a morphine content of 9 percent. The higher quality standards and lower prices, caused most Japanese poppy farmers to switch over to more profitable crops, and by 1896, domestic production had fallen to an almost negligible total of 33.75 kilograms (9 kan).

The last major control legislation of the Meiji period was the Opium Law (Ahen hō) of March 1897, which replaced the law of 1879. Expanding upon the basic provisions of its predecessor, the Opium Law of 1897 further strengthened the government's monopoly control over production and distribution. Along with the new law, the Home Ministry revised its procedures for purchasing the domestic product and began to accept opium with a morphine content as low as 5 percent. While this step taken alone might have helped to stimulate moribund domestic production, the government simultaneously lowered
the purchase price; consequently, opium with a morphine content of 9 percent, which had been worth 4.50 yen per hundred monme in 1887, dropped to 3.50 yen. Not surprisingly, by 1900 Japan was relying almost exclusively on high-quality, low-cost imports from Turkey, India, and Persia to meet domestic requirements for medicinal opium.

The Hartley Opium Smuggling Case

On the whole, the prohibition provisions of the 1858 commercial treaties proved to be very effective in preventing the Western powers from introducing the opium trade to Japan, and instances of smuggling by Westerners were infrequent. Even the most notorious violation of Japan's prohibition policy, the Hartley incident of 1877-1878, was significant not for the magnitude of the offence itself, but rather because it tested Japan's resolve to maintain the ban on opium and Britain's respect for Japanese sovereignty.

On 14 December 1877 a British merchant named John Hartley was arrested in Yokohama for attempting to smuggle twenty pounds of opium into Japan. Hartley was duly turned over to the British consular court at Kanagawa for trial. Although Hartley admitted to having brought the opium into Japan under false pretences, he claimed that it was intended for medicinal use, and therefore was not
prohibited according to the commercial treaty. In a judgement handed on 20 February 1878, Hiram S. Wilkinson, the vice-consul of Niigata who was at the time presiding over the Kanagawa consular court, concurred with Hartley and found him not guilty.31

Hartley, however, had not even waited for the verdict to be handed down before managing to get himself arrested again. On 8 January 1878 he was caught smuggling fourteen catties (approximately twenty pounds) of opium concealed within a consignment of raw gum. As the confiscated opium was of a very low grade, it obviously was intended for smoking, and not for medicinal purposes. Wilkinson found Hartley guilty in the second case on 6 April 1878, ordered the destruction of the eleven catties over the limit permitted in the commercial treaty, and fined Hartley 165 dollars.32

At the same time, Wilkinson determined that the remaining three catties should be re-exported and that the gum, which had been confiscated along with the opium, should be returned to Hartley. Wilkinson's legal reasoning was curious: because customs regulations stipulated that only goods not properly listed on the manifest were liable to confiscation, Hartley's failure to list the opium could not be considered a violation of the regulations because opium was a prohibited item and could have been listed
in any case. Therefore, his goods should not have been confiscated in the first place.

The Japanese government, already chafing under the humiliation of the unequal treaty system, immediately made plans to protest what it considered a gross abuse of extraterritoriality. Acting on the recommendation of foreign legal advisors, the Foreign Ministry instructed the minister to Britain, Ueno Kagenori, to file an appeal with the British Privy Council for a reversal of the judgements in the Hartley case. Ueno, however, was convinced to forego the appeal after holding consultations with Sir Julian Pauncefote, an under-secretary of the British Foreign Office. Pauncefote admitted that Wilkinson's judgments were probably wrong, but persuaded Ueno that the conflict over the Hartley case could best be resolved through diplomatic channels, rather than invoking the Privy Council.

Following Pauncefote's advice, Ueno addressed two letters to Foreign Secretary Lord Salisbury. In the first letter, dated 4 June 1878, Ueno reviewed the details of the first case, criticizing the judgment as an "arbitrary attempt to limit the absolute prohibition against importing opium into Japan, which had been sanctioned by all the Treaty Powers." He also questioned Wilkinson's competence to hear the case, noting that the offense had occurred
in the Kanagawa consular district, while Wilkinson was the vice-consul of Niigata. Finally, Ueno appealed to Salisbury to issue notification to British subjects in Japan that they should not import any opium without proper consent; otherwise Japan might be "flooded" with opium imported by merchants claiming that it was for medicinal purposes.  

In the second letter to Salisbury, dated 12 July 1878, Ueno reviewed the second case and protested Wilkinson's unusual decision to re-export the three catties of opium and to return the gum to Hartley. Noting the lenience of the sentence, Ueno wryly asked Salisbury to "consider whether in all probability a very different sentence would not have been passed in this country on a foreigner, detected in twice attempting to smuggle goods, whether prohibited or not, into England."  

In the meantime, the Japanese government's protest gained the support of anti-opium activists in Britain. On 7 June 1878 Salisbury received a letter from the Reverend F. Storrs Turner, the secretary of an influential anti-opium organization, the Anglo-Indian Society for the Suppression of the Opium Trade. Storrs Turner, in a pithy rebuke of the government for its handling of the Hartley case, reminded Salisbury of Britain's treaty
obligations by quoting verbatim the opium prohibition clause of the 1858 commercial treaty with Japan. 37

Salisbury did not comment on the Hartley case until 1879, having waited for the British minister in Tokyo to report on the new medicinal opium laws being drafted by the Japanese government. In a letter to Ueno dated 7 February, Salisbury admitted that the judgments in both smuggling cases were wrong. 38 Nevertheless, the admission did not lead to a reversal of the consular court verdicts, and Terashima instructed Ueno to press on with the appeal to the Privy Council. Ueno was opposed to the idea, and wrote to Terashima on 4 April 1879 strongly recommending to continue working through diplomatic channels to solve the impasse. 39 Ueno's view prevailed in the end, and the Foreign Ministry abandoned the appeal.

After Ueno's recall to Japan in May 1879 to take charge of treaty revision negotiations, the Hartley incident continued to flicker on for roughly one more year before finally sputtering out when both sides succumbed to a mutual case of ennui over the matter and decided to turn their attention to more pressing issues. In 1889 Hartley, who had certainly shown himself not to be wanting in audacity, filed suit with the Japanese government for the return of the confiscated opium. His
lawsuit ultimately proved successful, and the opium was returned to him.  

Opium and Sino-Japanese Relations

Despite the diplomatic attention focused on stopping the Western powers from forcing the opium trade on Japan, a more concrete and persistent foreign threat to opium control in Japan was posed, ironically, by China. The appearance of opium smokers among Chinese residents in Japan, first observed in Nagasaki and later in the treaty ports, raised the palpable danger that Chinese smokers would spread the habit to the Japanese. Therefore, the suppression of opium smoking in the Chinese community in Japan was a problem of immediate practical significance for the Meiji government, a problem with domestic and foreign policy ramifications.

The first Chinese opium smokers in Japan were probably among the sailors of merchant ships that came to trade at Nagasaki during the Tokugawa period. A contemporary Japanese commentator, Matsuura Seisan (1760-1841), recorded the following observations about opium smoking among Chinese sailors:

In the Chinese merchant ships that come [to Japan], they smoke something called opium-tobacco. This is paste stuffed into the bowl of an opium pipe, lighted, and smoked. One of the qualities of opium is that one never feels sleepy; consequently, the pilots use it in order not to fall asleep at sea. If they smoke it at sailing time, they will not sleep until entering
port. However, this opium is smoked in doses, and if the dose is exceeded, it becomes a poison. Moreover, many pilots die after three or four years. Everyone says that the poison of opium brings on other sicknesses.

By the time of the Meiji Restoration, Nagasaki had become home to a large Chinese community, and the local authorities were apparently rather lenient about opium smoking as long as no Japanese were indulging. The existing state of affairs, however, was due to change shortly after August 1868, when a Nagasaki newspaper reported that four Japanese women, all prostitutes or entertainers, had died from opium use within a half-month period. According to the report, the women had been supplied the drug by Chinese residents, who were selling opium to Japanese "in large amounts."42

Alarmed by reports of the spread of opium to the Japanese population, the government of Nagasaki Prefecture announced a crackdown on Chinese smokers. The following proclamation was issued in September 1868:

Opium smoking scorches the lungs and deranges the mind, and finally it causes addiction and is a threat to life. Therefore, our government first issued a prohibition decree and strictly prohibited its importation. However, when it was suddenly stopped, a number of resident Chinese merchants with a taste for [opium] complained that they were unable to live without it, so [the government] loosened prohibition a little. Now, it has been discovered that the vice is being gradually spread from the Chinese to our own people. Therefore, from now on it is forbidden to land [opium]. Persons discovered in possession of contraband [opium] will be fined fifteen dollars per catty and it will be immediately confiscated.43
The national government followed suit in August 1870, when the Foreign Ministry issued a proclamation to the Chinese community regarding opium control. The proclamation, which was published at the same time as the first national opium laws, warned that Chinese residents were also prohibited from smoking opium. Any Chinese who were found to be opium addicts would be expelled from Japan. 44

Enforcing the ban on opium smoking proved to be a more difficult matter. During negotiations over the the Amity Treaty of 1871 (the first Western-style treaty between Japan and China), the Japanese envoy Date Munenari proposed to insert a provision on opium prohibition into the treaty similar to those in the commercial treaties of 1858. The Chinese representative Li Hung-chang rebuffed Date's proposal on the grounds that such a clause would injure the prestige of his government, because it would publicly proclaim the fact that Japan prohibited opium smoking while China did not. Consequently, the final draft of the treaty, signed in September 1871, did not include a specific prohibition clause. Instead, both parties pledged to admonish their citizens living in the other country to respect that country's laws, which Date understood would also apply to opium prohibition in Japan. 45

27
The deficiencies of the new treaty in regard to opium control became apparent almost immediately to the Japanese government. As the Finance Ministry pointed out, although opium had been listed as a contraband item in the tariff agreement between China and Japan, there was no limitation on the amount which Chinese ships could bring into Japanese ports; nor were there any penalties for violations of the ban. In addition, opium smoking implements, chiefly pipes, were not even mentioned in the tariff agreement, and therefore could be brought into Japan freely. Such loopholes in the treaty made it almost impossible for the customs service, which was under the jurisdiction of the Finance Ministry, to enforce Japan's prohibition policy.46

In the absence of any provision in the Sino-Japanese treaty to prevent the import of opium, the Japanese government took unilateral action. In February 1876 all Chinese ships entering Japanese ports were made subject to the same control regulations applied to Western ships, namely the three-catty limit and fine of fifteen dollars per catty over the limit. At the same time, Chinese smugglers caught by the Japanese police or customs were, according to a special agreement between the two nations, to be turned over to the nearest Chinese consulate for deportation, but because China had not yet established
a diplomatic mission in Japan, Chinese violators remained in Japanese custody for the time being. 47

In January 1878 Terashima sent a proposal to the first Chinese minister to Japan, Ho Ju-chang, outlining stricter measures for the suppression of opium smoking in the Chinese community. The salient points of Terashima's proposal were that: 1) opium, whether medicinal or smoking, was a controlled substance; 2) any medicines containing opium would be regarded as opium; 3) the Chinese consulates should levy fines and deliver the money to the Japanese government; 4) any Chinese expelled from Japan (for opium offenses) would not be allowed to return; 5) the Japanese police would enter the homes of Chinese opium smokers, make arrests, and turn any culprits over to the Chinese consulate; and 6) any opium smoking implements would be subject to confiscation, even if the person possessing them was not caught in the act of smoking. 48

While indicating support of opium control in general and pledging cooperation in the levying of fines, Ho nonetheless strongly objected to the terms of Terashima's proposal. The fifth point was especially unacceptable because, in the Chinese point of view, it gave the Japanese police a ready-made pretext to trespass on the property of Chinese residents. Terashima responded by attempting to soften the point, assuring He that the police would
only enter Chinese homes when there was evidence of a crime in progress and it was necessary to make an immediate arrest. 49

Despite Terashima's assurance, the intrusion of the Japanese police into the homes of Chinese residents, ostensibly in search of opium, provoked a good deal of resentment. Occasionally, the resentment boiled over into violence. The most serious incident occurred in Nagasaki on 15 September 1883, when Japanese policemen raided the home of a Chinese resident and arrested him for opium smoking. As they were taking away the suspect, who was protesting that they did not have permission from the Chinese consulate to make an arrest, the police were set upon by a large crowd of the suspect's compatriots. A scuffle broke out, and the policemen struck at the mob with their swords, killing one and wounding five. 50

The Chinese consul at Nagasaki protested, and requested that the Japanese police temporarily halt their searches of Chinese homes until the two governments came to an agreement regarding the rights of treaty port residents. His protest was rejected by the governor of Nagasaki Prefecture, who responded that the Japanese police were well within their rights to conduct searches for opium, although the loss of life was regrettable. The searches continued. 51
In much the same way as the Hartley case, Japan's strict prohibition of Chinese opium smokers gradually faded away as an issue of contention between the two nations. By the end of the 1880s it was forgotten, as Japanese and Chinese diplomats turned to more pressing matters, such as tensions over Korea.
"Many of the Taiwanese smoke opium, so I wonder if [the Japanese] will be able to avoid its poisonous effects . . ."

"When we Japanese occupy Taiwan, we will most certainly prohibit opium."

-Exchange between Li Hung-chang and Ito Hirobumi during negotiations over the cession of Taiwan, 10 April 1895

The Sino-Japanese War of 1894-1895 marked a point of departure in the fortunes of its combatants. For China, defeat at the hands of the despised Japanese must have seemed the culmination of an endless string of humiliations and disasters stretching back to the Opium War. Japan, on the other hand, emerged from the war as a nation clearly on the rise, and a force in Asia with which the Western powers would have to reckon.

The most tangible evidence of Japan's ascent was its annexation of Taiwan from China, for colonial possessions were the ultimate national status symbols of the late nineteenth century. At the same time, the acquisition of Taiwan also posed many challenges for a Japanese government unfamiliar with the administration
of colonies. One the most pressing issues was the control of opium smoking, a widespread habit entrenched on the island for over three hundred years.

The opium problem on Taiwan proved to be a subject of much contention in Japanese official circles, and it was only after heated debate that a policy of gradual suppression, rather than immediate prohibition, was adopted. Once implemented, the opium system not only had an enormous impact on the island's people and economy, but also served as a practical model for the colonial government of Korea. Due to a divergence of conditions, however, the opium and narcotics control system of Korea differed from its predecessor in terms of the circumstances of its adoption, as well as its application.

Opium and the Establishment of Japanese Colonial Rule on Taiwan

The Origins of Opium Smoking on Taiwan

There are two theories regarding the origins of opium smoking on Taiwan. According to the first, it was introduced to the island during the period of Dutch rule (1624-1661) by traders from Java, who smoked a mixture of opium and tobacco in the belief that it would prevent malaria and other tropical diseases. The habit then spread from Taiwan to Fukien Province on the Chinese mainland.² The second theory, which is based on contemporary Chinese
sources, holds that opium smoking was directly transmitted to Fukien by Dutch traders from Java, and then spread to Taiwan.³

As large numbers of Chinese settlers came to the island after its subjugation by the Ch'ing in 1683, opium smoking became increasingly prevalent on Taiwan. In a memorial written in 1724 Lan Ting-yuan, who had taken part in the suppression of a rebellion on the island, noted that while there were many opium smokers in Fukien, the situation on Taiwan was even worse. Lan observed that addiction to the drug not only produced harmful physiological effects, but also impaired the morals of the users. Although beginning smokers were enticed into the habit by the lure of free opium, addiction inevitably led to the financial ruin of the addict and his family.⁴

In the absence of effective prohibition measures, opium consumption on Taiwan increased steadily into the nineteenth century. In 1848 Hsu Tsung-kan, the governor of Fukien, reported that there were no fewer than 100,000 opium smokers on the island, of all social classes and both sexes. Hsu was not only alarmed by the detrimental effect of smoking on public morals, but also by the economic consequences of opium use. He estimated that even if there were only fifty thousand addicts on the
island, the resulting drain of silver amounted to 100,000 taels per day.\(^5\)

The problem was exacerbated by the arrival of foreign opium smugglers, whose ships began calling at Taiwan's ports with increasing frequency after the conclusion of the Opium War in 1842. By the end of the 1850s Tansui (Tamsui) and Takou (Takow) had become the centers of a flourishing market in contraband opium, which was handled by receivers based on hulks moored at the two ports. During this period, opium was regarded as such a valuable and stable commodity that it often substituted for cash in business transactions.\(^6\)

As a result of the Treaty of Tientsin in 1858, which legalized the opium trade in China, and the Treaty of Peking in 1860, four of Taiwan's ports were opened to foreign ships: Anp'ing, Chilung (Keelung), Tansui, and Takou. While access to the ports helped to open a lucrative export market for Taiwanese sugar, tea, camphor, and coal, the profits generated by those exports were for the most part consumed on opium, which was imported in large quantities. According to Chinese Maritime Customs figures, on average, approximately 400,000 catties of opium were imported by Taiwan annually from 1864 to 1895.\(^7\) From 1871 to 1875, opium accounted for roughly 75 percent of total imports. Despite the fact that its share of the market
declined steadily thereafter, opium still amounted to 43.5 percent of all imports from 1891 to 1894, more than any other single commodity.  

Although the expansion of the opium trade represented a palpable threat to public order, Ch'ing officials on Taiwan found opium to be a lucrative source of badly-needed revenue. Initially, such revenue was collected as customs duties levied on imported opium, which accounted for approximately 20 percent of the island's official income from 1881 to 1886. Following its establishment as a separate province of China in 1887, Taiwan became even more dependent on opium revenue. In order to raise funds for costly modernization projects, the island's governor imposed a likin (internal transit) tax on tea, camphor, and most importantly, opium. The combination of the likin tax and customs duties caused opium revenue to rise from 126,000 taels in 1886 to 426,000 taels in 1887, and by 1891 it had reached over 600,000 taels. Even more significant was the increase of opium revenue as a percentage of total revenue: from 1887 to 1892, it accounted for over 50 percent of the total. 

The Japanese Army's Prohibition Policy

As a result of the Treaty of Shimonoseki, which was signed on 17 April 1895, China ceded Taiwan to Japan. The Japanese government then set about establishing the
Government-General of Taiwan (Taiwan sōtokufu) to administer the island, and by the beginning of June, Japanese soldiers were landing at the northern end of the island to commence pacification operations.

The subjugation and occupation of Taiwan posed many dangers for the Japanese army beyond those encountered in the course of battle. Malaria accounted for more deaths than combat, most notably that of Prince Kitashirakawa, the commander of a brigade of elite Imperial Guards.12 Moreover, given Taiwan's long and intimate association with opium smoking, Japanese commanders feared that their troops would acquire the habit from native smokers. So seriously was this threat regarded that on 6 July 1895 the military authorities promulgated a decree mandating the death penalty for "persons who furnish soldiers of the Japanese Imperial Army . . . with opium or opium smoking implements, or persons who provide a place for opium smoking."13

Prohibition Versus Gradual Suppression

While the army was attempting to carry out strict measures to prevent the drug from spreading to Japanese troops, policy-makers in Tokyo were vigorously debating long-range plans for suppressing opium smoking on Taiwan. On one side of the debate were the prohibitionists, who advocated an immediate and absolute ban on opium use.
On the other side were the proponents of a policy of gradual suppression, by which the government would allow the Taiwanese to continue smoking under official control with the goal of gradually reducing the addict population. One point of mutual agreement, however, was that opium policy on Taiwan should be formulated first and foremost to suit the aims of the island's new colonial overlords. The welfare of the Taiwanese was at best a secondary concern.

Support for prohibition was especially vocal in the Japanese press. In a September 1895 editorial in the general-interest magazine Taiyō, the influential journalist and politician Shimada Saburō opined that opium smoking should be banned; otherwise, the habit would inevitably spread to the Japanese on Taiwan and then to Japan itself, with dire consequences for the nation. Furthermore, prohibition should be enforced immediately, for any delay would make the task even more difficult. Shimada suggested that any Chinese who violated the ban be deported from Taiwan; in that way, not only would Japan benefit directly by removing the opium threat, but would also benefit indirectly by being able to expel large numbers of Chinese. "Is this not a good policy, which will kill two birds with one stone?" he asked rhetorically.
Prohibition also had support within official circles. On 25 July 1895, Katō Takashi, a staff member of the Home Ministry's Hygiene Bureau (Eiseikyoku), submitted a memorandum arguing, like Shimada, that prohibition should be enforced on Taiwan without delay in order to prevent the spread of opium smoking to the Japanese on the island. Kato particularly stressed the importance of gaining control over the opium supply, recommending that the import of the drug be immediately prohibited, and that the government buy up all of the stocks still in the hands of Taiwan's opium merchants. After that, the authorities should establish a monopoly over medicinal opium, just as in Japan.15

Initially, Prime Minister Itō was also inclined in favor of prohibition, as indicated by his exchange with Li Hung-chang during the Shimonoseki negotiations, quoted at the head of this chapter. Itō, however, temporized when Taiwan passed over to Japanese control, and on 3 May 1895 he ordered Mizuno Jun, director of the Civil Affairs Bureau (Minseikyoku) of the newly-established Taiwan Government-General, to investigate the opium problem.16

After examining conditions on the island and studying the opium systems established by the Western powers in their Asian colonial possessions, Mizuno and his staff
presented the government with six different policy options for Taiwan: 1) to enforce a strict prohibition policy as of May 1905; 2) to ban opium within a period of seven years; 3) to discourage smokers by levying a prohibitively heavy tax on the drug; 4) to carry out prohibition by gradually reducing the amount of opium imported; 5) to award monopoly licenses to designated merchants, who in return would provide the government with revenue in the form of a license fee (also known as the opium farm system); or 6) to establish a government monopoly over opium with the goal of gradually suppressing its use. 17

Mizuno rejected the first two options on the grounds that they did not allow sufficient time for the government to carry out prohibition. The third and fourth were also discounted as impractical because their enforcement would place too heavy a burden on the police and armed forces. The fifth, which was the basis of Britain's opium policy in Hong Kong and the Straits Settlements, was also rejected because it was not consistent with the goal of suppression. Consequently, Mizuno recommended that the government adopt the gradual suppression policy. 18

Returning to Tokyo for consultations in November 1895, Mizuno found that his proposal was under attack by advocates of prohibition in both the Diet and Taiwan Affairs Bureau (Taiwan jimuzyoku). 19 Nevertheless, a
combination of factors ultimately would tip the scales in favor the gradual suppression policy in spite of the strong opposition of the prohibitionists.

First, the exigencies of the situation on Taiwan made prohibition both impractical and unnecessary from the Japanese standpoint. On 17 November 1895 Governor-General Kabayama Sukenori expanded the application of capital punishment to Taiwanese for supplying opium to Japanese civilians as well as Japanese soldiers on the island; however, because the army was still encountering fierce resistance, Government-General officials were forced to admit that it was impossible to enforce strict prohibition, at least for the time being. At the same time, Japanese soldiers and civilians on Taiwan were showing no inclination to take up the habit of opium smoking, much to the relief of the authorities. As fears of the spread of opium to the Japanese dissipated, so too did the chief rationale for immediate prohibition.

Second, the gradual suppression policy gained the support of influential bureaucrats in Tokyo, the most notable of whom was Gotō Shinpei (Shimpei). Gotō, who was serving at the time as the director of the Home Ministry's Hygiene Bureau, was a rising figure in the government. In 1898 he would be promoted to the post of chief civil administrator on Taiwan, where he was able
to put into effect many of his innovative plans for developing the infrastructure of the island. The opium system adopted on Taiwan was largely Gotō's brainchild.

Gotō Shinpei's Opium Monopoly Plan

On 14 December 1895 Prime Minister Itō received a memorandum from Gotō that would form the framework of Japan's opium policy on Taiwan. While Gotō agreed with the prohibitionists on the necessity of preventing the Japanese from acquiring the habit, he argued that any attempt at immediate prohibition was impractical and even dangerous. Given the extent to which opium smoking had spread among the native population, its sudden interruption was bound to stir up popular resentment. Gotō estimated that the enforcement of prohibition would require at least two army divisions and an enormous expenditure of capital.

Furthermore, Gotō objected to immediate prohibition on medical grounds, arguing that merely to deprive addicts of opium without treatment would possibly threaten their lives. A much more practical and humane approach to opium control, in his opinion, was to prevent non-smokers from acquiring the habit through strict prohibition, and at the same time, to allow confirmed addicts to continue smoking under official supervision.
As envisioned by Goto, the opium system on Taiwan would have five basic features. First, the government would establish a monopoly over opium. Second, as in the case of Japan, only specially-licensed pharmacists would be permitted to sell opium for medicinal use. Third, addicts would be permitted to continue smoking, provided that their condition was attested to by a physician or by the local police. Certified addicts would then receive a ration book from the authorities, which they would have to present to licensed opium sellers in order to purchase the drug. Fourth, the revenue generated by taxes on opium should be used to defray the expenses of local hygiene facilities on the island. Fifth, young people and children should be educated about the dangers of opium use.27

Persuaded by the cogency of Goto's memorandum, the Taiwan Affairs Bureau decided to adopt the gradual suppression system as he had outlined. Itō submitted the plan to the Cabinet for review on 3 February 1896, and after receiving a favorable response, he ordered Governor-General Kabayama to proceed with the implementation of the opium system on 15 February.28
The Taiwan Opium Monopoly System

Addict Registration and Treatment

Theoretically, the goal of the gradual suppression policy was to reduce the number of opium smokers to nil, and then to ban the drug altogether. Therefore, it was essential that the authorities adopt and carry out a thorough system of addict registration. Once all or most addicts were located, the government could close registration, after which no new addicts would be added to the rolls. Presumably, this would leave the authorities with a stable addict population which could then be reduced over time through medical treatment or simple attrition as addicts aged and died. 29 As an incentive to register, addicts would receive official sanction, in the form of a license, to continue smoking.

Because the Japanese authorities on Taiwan were forced to devote their immediate attention to completing the pacification campaign and establishing the colonial government, there was no attempt to address the issue of addict registration until 1897. On 21 January 1897 the Government-General promulgated the Taiwan Opium Law (Taiwan ahen rei), which limited the purchase and consumption of opium to licensed addicts. 30 According to detailed registration and licensing guidelines published by the government in March, in order to apply for an opium
smoking license, it was necessary first to undergo an examination by an officially-designated physician. Once certified as an opium addict by a physician, the applicant then had to file a petition for a license with the local authorities.31

The government began the addict registration drive in Taihoku (Taipei) on 1 April 1897. The original plan was to fan out gradually until the whole island was covered, with a target of registering the entire addict population, estimated at 170,000, within five months.32 Because the island had not yet been completely subjugated, however, only 95,449 addicts were entered on the official roster at the end of 1898 (see table 1).

In their zeal to collect as many opium smokers as possible, the authorities either disregarded or loosened the registration guidelines. The physical examinations of applicants, which were supposed to be conducted under strict conditions in order to separate true addicts from occasional smokers, were in fact merely a formality; as a result, physicians issued addict certificates to just about anyone who applied. Moreover, a provision forbidding persons under the age of twenty from applying for licenses was quickly deleted, and younger opium smokers were also permitted to apply.33
By September 1900 a total of 169,064 opium smokers had been registered as addicts, which was close enough to the original target of 170,000 to close the official roster. Nevertheless, illicit (i.e., unlicensed) opium smoking persisted, forcing the authorities to issue licenses three more times within the next eight years: January-February 1902, October 1904-March 1905, and January-March 1908. Altogether, 220,657 smokers were licensed by the end of the fourth drive.

Over the next twenty years after the closing of registration in 1908, a steady decline in the number of licensed opium smokers seemed to bear out the efficacy of gradual suppression. From a peak of 169,059 in September 1900, the number of registered smokers fell annually thereafter: in 1910 the figure was 98,897, in 1920 it had declined to 48,012, and by 1928 only 26,942 opium smokers remained on the government rolls. Just as impressive, the number of registered smokers as a percentage of the total population receded from a peak of 6.3 in September 1900 to 0.6 at the end of 1928 (see table 1).

While such statistics were impressive in and of themselves, by the end of the 1920s it had become apparent that the registration and licensing system was not operating as smoothly as advertised by the Japanese
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<thead>
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<th>Year</th>
<th>Number of licensed opium smokers</th>
<th>Number of smokers as a percentage of the population of Taiwan</th>
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<tr>
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<td>1927</td>
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</tr>
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</table>

Source: Ryū, Taiwan tōchi, 93, 204.

*As of the closing of addict registration in September 1900. The total as of December 1900 was 165,752.
authorities. According to the estimate of one Taiwanese writer, although official statistics put the total number of licensed smokers at 26,000 in 1928, there were at least another 25,000 who were indulging in the habit without official sanction. Most unlicensed smoking took place in the countryside, where the indiscriminate resort to opium as a panacea for a variety of ills facilitated the transition to recreational use, and where the opium pipe served the social function of providing a reason for friends to gather and share a few relaxing moments in a day otherwise filled with drudgery. In such an atmosphere, opium smoking was regarded as natural.36

The discrepancy between official claims and the reality of the situation on Taiwan was also noted by the American journalist Edgar Snow, who visited the island in 1930. During the course of an investigation of the opium system, he found little official effort to prohibit the drug's use: no preventative education, lax enforcement of retail sales to licensed smokers, and no supervision to insure that only licensees were consuming the opium. Nor were there any signs of public disapproval of opium smoking. "Throughout the island men and women may be observed enjoying their smokes, in full view of the streets--not merely in outlying districts, but here, in the capital," Snow observed.37
As early as the end of 1928 authorities also had concluded that the existing system was in need of an overhaul, and initiated a series of revisions. First, the Opium Law of 1897 was replaced by a new version, promulgated on 28 December 1928. On paper, the Opium Law of 1928 and regulations for its enforcement tightened all aspects of opium control, including control over smokers; while opium smoking without a license was usually punished by a fine under the provisions of the 1897 law, its successor stipulated mandatory imprisonment of up to three years for the same offense.

Second, on 18 December 1929 the Government-General announced plans for another addict registration and licensing drive. Although the authorities attempted to justify the action on the grounds of the large number of illicit smokers, it aroused the vigorous opposition of Taiwan's educated elite. Leading the protest movement was the Taiwan People's Party (Taiwan minshūtō), a moderate political-cultural organization advocating home rule. In response to the announcement of the registration drive, the People's Party immediately sent off a flurry of telegrams to the Government-General and to the central government in Tokyo demanding that the authorities reconsider. The People's Party strongly urged the authorities to compel all opium smokers to undergo medical
treatment and to impose strict prohibition as soon as possible, rather than prolong the misery of the Taiwanese by perpetuating the existing system. 40

The People's Party then expanded the protest movement by enlisting the support of other Taiwanese civic groups. Medical associations from all over the island joined in expressing opposition, and pressed the government to carry out strict physical examinations of smoking license applicants in order to limit the licenses to incurable addicts. 41 The New People's Society (Shinminkai), an organization of Taiwanese students in Tokyo, also chimed in with a protest, and presented a plan to eradicate opium smoking on Taiwan within three years. 42

Stung by the breadth of opposition among the Taiwanese, and embarrassed by having its dirty laundry aired in front of a commission of inquiry from the League of Nations, which visited the island in the spring of 1930, 43 the Government-General nonetheless proceeded with the addict registration drive as planned. Eventually, a total of 25,527 new applicants were netted, but unlike the case in the past, they were subjected to rigorous examinations. 44 As a result, out of the original 25,725, only 5,518 were finally awarded licenses, while 13,584 were ordered to undergo treatment, 6,209 were ordered to quit (presumably, with the prospect of a prison sentence
as an added inducement for those who would rather fight than quit), and the final 216 obliged the authorities by dying during the application process. 45

Moreover, after more than thirty years of neglect, the government finally began to formulate plans for the medical treatment of addicts. In 1930 the Government-General purchased a defunct private hospital in Taihoku and established the Taihoku Rehabilitation Institute (Taihoku kōsei-in), a 150-bed facility devoted solely to addict treatment. Addict wards were also established in eleven regional hospitals spread across the whole island, which increased the total capacity for treatment to 425 beds at one time. 46 Despite some advances in treatment methods in the 1930s, attrition nevertheless remained the most effective means of reducing the addict population. 47

The Monopolization of the Opium Supply

Early Stages

Equally as important to the success of gradual suppression as addict registration was the establishment of a government monopoly over the import of raw opium, the production of smoking paste, and its sale. In theory, official control over the drug's import would facilitate the eradication of smuggling. Moreover, if the production
and sale of smoking paste became an official enterprise, the authorities could, if they chose, discourage opium smoking by manipulating the drug's price to a prohibitively high level. Nor was the potential of the opium monopoly as a source of revenue lost on Japanese officials; Goto Shinpei estimated that it could net the Taiwan Government-General 2,400,000 yen per year. 48

In order for the monopoly system to function as planned, it was essential that the government secure a steady supply of raw opium. Although some poppy cultivation had been carried out on the western part of the island as early as approximately 1880, Taiwan was found to be unsuitable for large-scale cultivation. 49 Consequently, after buying up the 287 chests of raw opium still remaining in the hands of Western and Chinese merchants, the authorities were forced to look overseas for sources. 50

Despite the fact that the Government-General had banned private firms from importing opium, it awarded contracts to two companies, Mitsui Bussan and the British merchants Samuel and Samuel, to purchase the drug on the international market and transport it to Taiwan. 51 On 1 October 1896 both firms received orders to commence purchasing Indian and Persian opium on the Hong Kong market. 52
Meanwhile, the Government-General was also moving toward assuming control over opium production. In April 1896 the authorities announced the creation of the Medicine Manufacturing Bureau (Seiyakujo), which was to produce all of the island's smoking paste.53 Demonstrating that the bureaucrat is indeed an adaptable species, Katō Takashi, the Hygiene Bureau official who had argued so strongly for prohibition less than a year earlier, agreed to head the new enterprise on Taiwan.54

Arriving on the island in April, the versatile Katō immediately set to work studying how to process raw opium into smoking paste, an often complicated procedure involving the blending of several types of opium and various other additives.55 Lacking any experience in making smoking opium, he was forced into the embarrassing position of having to seek the assistance of local practitioners, who taught him how to create a blend with the potency and smoothness to suit the taste of Taiwanese smokers.56 Katō proved to be a quick learner, and by the summer the Medicine Manufacturing Bureau was able to carry out production on a trial basis.57 On 1 October 1896, production commenced in earnest.58
The Establishment of the Monopoly Bureau and Consolidation of the Opium System

The Medicine Manufacturing Bureau was responsible for overseeing all aspects of opium administration, including the drug's control, until 1901, when it was absorbed by the Monopoly Bureau (Senbaikyoku). From that point on, jurisdiction over opium was divided between the police and the Monopoly Bureau. The former were responsible for overseeing the addict registration and licensing system, as well as for licensing and carrying out periodic inspections of the stocks of wholesalers and retailers. The latter remained in charge of the import of raw opium, production of smoking paste, and delivery of the paste to provincial authorities for distribution to wholesalers.\(^5^9\)

The opium wholesale and retail system was tailored to suit the aims of the government. Local authorities were required to apply to the Monopoly Bureau for the delivery of officially-produced smoking paste, which they would then distribute to wholesalers for sale to retailers and opium den operators.\(^6^0\) The retailers were responsible for selling the product to licensed smokers, who were provided with a ration book enabling them to purchase one of three classes of opium.\(^6^1\) The Monopoly Bureau fixed prices at both the wholesale and retail levels, taking into account fluctuations in the international market.
price of raw opium and production costs. Wholesalers and retailers were paid on a commission basis.

In addition to its financial benefits, the monopoly system served a valuable political function, for the lucrative wholesale and retail licenses were used to reward Taiwanese who cooperated with the colonial authorities. Known as goyō shinshi (a pejorative appellation which translates roughly as "gentlemen bought off by the government") such Taiwanese collaborators made themselves especially useful to the government by providing information on potential sources of unrest, and by opposing the development of a nationalist movement.

As was the case during the Ch'ing period, opium played an important role in the official finances of Taiwan during the early years of Japanese colonial rule. In 1898, only its second year of operation, the opium monopoly realized over 3,500,000 yen (US$ 7,000,000), far exceeding even the most optimistic expectations of its architect Goto Shinpei. Opium income continued to rise steadily thereafter, passing the five million-yen mark in 1911. Even more significant was the fact that opium sales accounted for a substantial portion of Taiwan's total annual income, averaging over 20 percent during the critical early years of colonial rule when the Government-
General was striving to achieve fiscal independence from Japan (see table 2).

In the meantime, both the quantity and quality of smoking paste production rose steadily; the Monopoly Bureau was able to meet the needs of Taiwanese smokers, and even exported smoking paste to the Kwantung Leased Territory in 1906.66 Improved production techniques were accompanied by greater sophistication in the purchase of raw opium. With an eye toward quality control, the Monopoly Bureau in 1903 ordered its agents Samuel and Samuel and Mitsui Bussan to inspect Persian opium before purchasing it in order to insure that not only was the morphine content satisfactory, but also the color and flavor.67 In addition, the search for low-cost raw materials eventually led the Monopoly Bureau to expand its purchasing operations to the Ottoman Empire in 1905.68

Opium income continued to rise, reaching a peak of over 8,000,000 yen (US$ 16,000,000) in 1918 due largely to the general inflation of opium market prices during the First World War.69 Thereafter, the significance of opium revenue in Taiwan's overall public finances, as evidenced by its percentage of the island's total annual income, declined steadily; by 1930 it had fallen to 3.7 percent, and in 1941 it was a mere 0.7 percent of the total income for the year (see table 2). At the same time,
<table>
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<tr>
<th>Year</th>
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<th>Total revenue (B)</th>
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Source: Ryū, *Taiwan tōchi*, table 1, 107, table 1, 185, table 8, 204.
however, the opium trade also fostered official corruption, and the Monopoly Bureau was tainted by scandal in the 1920s, culminating with the revelations of the Hoshi case (see chapter 3).

The Control of Drug Abuse in Korea Under Japanese Colonial Rule

Opium Smoking

Although it is difficult to retrace precisely the origins of opium smoking in Korea, it seems that the habit was introduced overland from China. Most likely, opium smoking did not spread to Korea until the habit had become entrenched in neighboring Manchuria, which is to say the latter half of the nineteenth century. The development of seaborne trade after 1876 opened a second route of transmission via such port cities as Inchon and Mokpo.

The increase in the incidence of opium smoking prompted the Korean government, at the "urging" of the Japanese Residency-General (Kankoku tōkanfu), to adopt opium control measures. In 1905 opium smoking, as well as the importation and sale of smoking implements (chiefly, opium pipes), were prohibited according to provisions included in the compendium of Korean criminal laws.

Such measures apparently were ineffective, for opium smoking persisted through the beginning of the Japanese colonial period in 1910. Consequently, in March 1912 the
Government-General of Korea (Chōsen sōtokufu) promulgated a penal code in which opium smoking was punished with the same degree of strictness as under Japanese criminal law. As was the case on Taiwan, however, confirmed addicts were permitted to continue smoking ostensibly on medical grounds.

According to official sources, the number of Korean opium addicts fell rapidly in the first few years of Japanese colonial rule, and opium smoking was finally prohibited altogether by official decree in September 1914. Thereafter, addicts were to be rounded up by the police for "semi-compulsory" treatment. However, by the time that the authorities had announced the ban, morphine addiction had surpassed opium smoking to become the predominate form of drug abuse among the people of Korea.

The Morphine Problem

For addicts in the early part of the twentieth century, morphine was comparable to today's "crack" cocaine: a highly addictive drug readily available in cheap, easily administered doses (usually by injection or in pill form). By roughly 1905, morphine (as well as heroin and cocaine) had already spread to Korea, where addicts acquired the habit in one of four ways: 1) switching from opium smoking to morphine injections; 2)
using narcotics in the mistaken belief that doing so would enhance sexual performance; 3) taking drug injection indiscriminately to relieve minor aches and pains; and 4) being tricked into addiction by unscrupulous drug peddlers, who advertised their products as cure-alls for various complaints. 75 Most illicit narcotics were supplied by Japanese druggists, who were able to operate without any sort of official restrictions.

In 1906 the drug problem was sufficiently noteworthy to prompt an editorial in the missionary journal The Korea Review attacking the authorities for not taking steps to control the widespread dispensing of morphine injections by Japanese druggists in Pyongyang. As a result, there was a considerable outbreak of addiction, with one missionary hospital reporting treating thirty-five addicts in one month alone. 76 For their part, the Japanese authorities responded that the Residency-General had taken steps to control the activities of druggists, and indirectly blamed foreign missionary doctors for spreading narcotics addiction to Korea. 77

After banning opium smoking by decree in 1914, the government undertook no major drug control legislation until promulgating the Opium Law of 1919 to regulate opium production. 78 Similarly, the first narcotics control measure, which was promulgated in December 1920, only
tightened restrictions of the import and export on morphine and cocaine.79

The early opium and narcotics control regulations, however, did not contain any provisions for the treatment of addicts, and there was little official control over the sale of drugs. Although crimes connected with opium smoking were subject to heavy punishment, with a penalty of imprisonment for up to five years, the sale of illicit narcotics was lightly punished by fines of not more than one hundred yen and three months of penal servitude.80 Furthermore, the attempt to tighten the import and export of narcotics was in effect cancelled out by the revision of customs regulations in 1923, which slackened inspections of imported goods and facilitated the smuggling of narcotics from Japan.81

Due to the inability, or the unwillingness, of the authorities to take decisive steps to control the sale of narcotics or to initiate a comprehensive drug addiction treatment program, the number of morphine addicts in Korea rose steadily during the 1920s. Foreign missionary doctors reported record numbers of addiction cases in 1921, and according to a 24 October 1924 editorial censored from the Korean newspaper Tonga ilbo, there were four thousand addicts in Keijō (Seoul) alone, creating "enormous havoc."82 Nor was the problem confined to the cities.
Druggists in the countryside continued to do a brisk business in morphine injections, unhindered by the authorities; one such shop, for example, was reportedly dispensing injections at the rate of several thousand per month in the late 1920s.83

**Addict Treatment Efforts**

Although the authorities were not completely blind to the increase in narcotics addiction, early efforts at addict treatment seem to have been carried out on an ad hoc basis by local and provincial officials.84 However, by the end of the 1920s it was clear that the mounting social costs of the morphine problem in Korea, both in terms of a rising crime rate and declining worker productivity, necessitated the initiation of a thorough treatment program.85 Furthermore, large numbers of addicts were turning up among Korean laborers in Japan, which caused an increase in the crime rate and raised fears that addicted Koreans would spread the narcotics habit to the Japanese general population.86 As a result, in 1930 the Government-General authorities finally began to address the issue of addict treatment in earnest.

The first step in the treatment plan was to locate and identify addicts. In March 1930 the Government-General issued regulations for the registration of addicts, instructing governors to divide their provinces into zones
and set deadlines for addicts within each zone to report to the local chief of police. Each addict would then be placed on a roster by the police and receive a registration certificate; registered drug addicts would be eligible for medical treatment at provincial hospitals. Although not specifically addressed in the regulations, it was understood that indigent addicts were to be treated at government expense.

The registration scheme was certainly better than nothing, but apparently it achieved only modest initial results. By the end of December 1930, 5,094 addicts had been registered, but that figure was thought to represent a fraction of the total because the authorities did not implement the registration system thoroughly. Moreover, even though roughly one thousand of the addicts registered in 1930 were reported to have been cured, recidivism remained a constant concern.

By the early 1930s the authorities were tacitly admitting that the registration system was inadequate. In order to reduce the rate of recidivism, the government initiated a program of providing recovering addicts with training in farming and simple handicrafts, and from 1933 employment offices were attached to the treatment centers to help recovered addicts find work.
In September 1934 a semi-private organization was established to supplement the official narcotics control program. Funded by a combination of private donations and government grants, the Korean Society for the Prevention of Drug Addiction (Chōsen mayaku chūdoku yobō kyōkai) not only assisted with addict treatment, but also promoted social education on the dangers of drug abuse and aided in the supervision of recovered addicts.93

According to official sources, the registration and treatment program yielded positive results, and by 1939 drug addiction reportedly had been virtually eliminated in Korea.94 Although that assessment may have been unduly sanguine, it is clear the number of registered addicts did drop off suddenly in the mid-1930s. The paucity of addicts left the Monopoly Bureau with an overstock of morphine and heroin, forcing the suspension of narcotics production in 1935.95

Opium and Narcotics Production in Korea

The Opium Monopoly System

A producer of little opium during the early years of the colonial period, Korea emerged as a major exporter of raw opium by the early 1930s; at the same time, the Government-General also developed extensive facilities
for the manufacture of morphine and heroin. What factors prompted this transformation?

The initiation of opium production in Korea was largely a response to the world-wide shortage of narcotics resulting from the outbreak of the World War One. Forced to seek alternative sources of raw opium necessary for the production of many medicines, Japanese pharmaceutical makers found that Korea possessed favorable conditions for poppy cultivation; not only were the soil and climate suitable, but land and labor costs were lower than Japan. 96

Especially active in promoting poppy cultivation in Korea was the Tokyo-based Taishō Pharmaceutical Company (Taishō seiyaku kabushiki gaisha), which established a branch office and morphine factory in Keijō. Taishō obtained most of its raw opium by subcontracting small, locally-based Japanese druggists such as the Northern Korea Pharmaceutical Company (Hoku-Sen seiyaku kabushiki gaisha), which was founded in Northern Kankyō Province in 1918 expressly for the purpose of producing opium. Cultivating poppies on a twenty-hectare (twenty chōbu in the Japanese traditional system of weights and measures) plot of plateau land along the coast, Northern Korea Pharmaceutical was able to supply Taishō with high-quality opium suitable for processing into morphine. 97
At the same time, the wartime inflation of narcotics prices also stimulated clandestine opium production and smuggling along the border with China. Attempts to control illicit production were undertaken at the provincial level as early as March 1917, when local police officials in the provinces affected began to issue permits to poppy farmers.  

By the end of World War One the Government-General was faced with the problem of formulating an opium policy with two apparently contradictory aims. On one hand, the inability of local officials to cope with the increase in smuggling necessitated a centralized opium control system. On the other hand, the wartime opium shortage made large-scale poppy cultivation an attractive proposition, both as a means to achieve self-sufficiency in narcotics production and as a potential source of revenue from exports. In 1919 the authorities resolved the policy dilemma by placing all aspects of opium production and sale under a government monopoly.

The legal basis of the monopoly system was the Opium Law (Ahen hō) and regulations for its enforcement, which were promulgated by the Government-General in June 1919. Under the provisions of the Opium Law, farmers wishing to cultivate poppies were required to apply for permission from the local police, who were in charge of designating
cultivation zones. As in the case of the monopoly system in Japan, Korean poppy farmers were required to deliver their entire crop to the government, which would analyze the opium and pay compensation on a fixed scale of payment depending on the morphine content. The government would then sell the raw opium to licensed private narcotics manufacturers.102

Unfortunately for the authorities, the plan to increase poppy cultivation got off to a slow start. In 1920, the first full year of the monopoly operation, world opium prices plunged to prewar levels, causing many farmers in Korea to give up poppy cultivation in favor of more profitable crops.103 As a result, the total harvest plummeted from over 7,500 kilograms in 1919 to slightly over 150 kilograms in 1920.104

Although opium production would never again fall as low as the 1920 level, during the 1920s it consistently failed to reach the level anticipated by the authorities when the monopoly was established. The annual harvest from 1921 to 1929 averaged approximately 1,275 kilograms, far below the 37,500 kilograms per year envisioned in 1919; moreover, production was inconsistent from year to year due to variable weather and fluctuations in the opium market price.105 Production was further inhibited by the negligence of farmers, who regarded poppy farming
as a side business to be done on land unsuitable for other crops.\textsuperscript{106}

In addition, the monopoly system proved to be a less than satisfactory means of drug control, hampered by a confusing division of authority over opium affairs. When the monopoly was formed in 1919 the Government-General divided jurisdiction over opium control between the Police Bureau (Keimukyoku) and the Monopoly Department of the Financial Affairs Bureau (Zaimukyoku senbaika). The former was responsible for designating cultivation zones and issuing permits to poppy farmers, while the latter supervised the collection of raw opium and its sale to medicine makers.\textsuperscript{107} In July 1921 a separate Monopoly Bureau (Senbaikyoku) was established, and its duties were expanded to include the supervision of raw opium collection, the analysis of raw opium and its sale to medicine manufacturers, and the payment of reimbursement to poppy farmers.\textsuperscript{108}

The existing system underwent a major revision in 1925, when the Monopoly Bureau was relieved of its opium control responsibilities, which were transferred entirely to the police.\textsuperscript{109} Yet another revision took place in 1929 when, coinciding with the implementation of the drug addict registration scheme, the Monopoly Bureau was once again placed in charge of overseeing raw opium collection,
appraisal, and sale, and also given responsibility for the production of narcotics. In order to avoid further confusion, the directors of the Monopoly and Police Bureaux met in November 1929 to delineate jurisdiction, which thereafter was divided among the two bureaux and provincial authorities.

Furthermore, the administration of opium control was plagued by flaws at the local level. At first, some local police departments were confused even about the nature of their duties vis-a-vis the new monopoly; police officials in Keiki Province, for example, are reported to have queried Keijō if the goal of the Opium Law was to encourage opium production as much as possible. Nor were local police provided with adequate manpower to oversee poppy farmers; consequently, official supervision over opium production was either a mere formality or simply nonexistent.

Opium Production, 1930-1937

Although conspicuous for its lack of success in the 1920s, opium production under the monopoly system rose dramatically from 1930. This development partly resulted from the necessity of providing the Monopoly Bureau with raw materials for narcotics production; however, a more significant cause was the opening of export markets in the Kwantung Leased Territory and Manchukuo.
The export of Korean opium to the Kwantung Territory actually began as part of a barter arrangement concluded between the Government-General and the Kwantung Government (Kantōchō) in 1930. The Korean opium, which was exchanged for stocks of contraband morphine confiscated by the Kwantung authorities, was used to adulterate high-grade Persian and Turkish opium in the blending of smoking paste. The mixture must have satisfied the discriminating palates of Kwantung smokers, for after the barter arrangement ended in 1931 the Kwantung Government began to purchase Korean opium. Total sales from 1933 to 1937 inclusive were over 45,000 kilograms worth nearly 1,750,000 yen (US$ 7,775,000).

Coinciding with the decision of the Kwantung Government to begin importing Korean opium was the establishment of an opium monopoly and addict registration system in Manchukuo (see chapter 5). Having neglected to prepare for the enormous demands of the monopoly system, the Manchukuo regime consistently failed to achieve self-sufficiency, despite a substantial volume of domestic opium and narcotics production. In order to compensate for the shortfall, Manchukuo made arrangements to purchase Korean opium in 1932. From 1933 to 1937 inclusive the Monopoly Bureau exported more than 40,000 kilograms of
raw opium worth a total of approximately 1,600,000 yen (US$ 5,280,000) to Manchukuo.\textsuperscript{117}

In response to the demand for Korean opium in Kwantung and Manchukuo, the Government-General took two steps to increase production. First, the authorized poppy acreage was doubled in 1932.\textsuperscript{118} Second, the rate of official reimbursement to producers was raised to reflect the sudden upturn in the market value of opium resulting from higher demand; thus, poppy farmers whose crop was worth under 5 yen per 993 square meters (1 tan in the traditional system of weights and measures) in 1930 saw that figure jump to over 15 yen the following year, and ultimately peak at over 33 yen per 993 square meters (1 tan) in 1936. The salutary effect of the second measure in particular was reflected in production figures: from 1930 to 1933 raw opium output rose ten-fold from 1,400 kilograms to 14,000 kilograms, and the 1933 total was nearly doubled by 1936 (see table 3).

The Monopolization of Narcotics Production

While the Government-General monopolized the production and sale of opium in 1919, narcotics production remained under the control of licensed private concerns, the largest of which was Taishō Pharmaceutical. Repeated smuggling scandals involving Taishō officials, however, forced a reluctant Government-General to cancel the
TABLE 3

OPium Production in Korea, 1919-1941, Inclusive

<table>
<thead>
<tr>
<th>Year</th>
<th>Raw Opium Produced (kilograms)</th>
<th>Cultivation Area (tan)*</th>
<th>Government Payment (yen)</th>
<th>Unit Value (yen/tan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1919</td>
<td>7,586.062</td>
<td>23,098</td>
<td>461,677</td>
<td>20.00</td>
</tr>
<tr>
<td>1920</td>
<td>154.350</td>
<td>947</td>
<td>6,068</td>
<td>6.40</td>
</tr>
<tr>
<td>1921</td>
<td>2,754.435</td>
<td>4,529</td>
<td>70,320</td>
<td>15.55</td>
</tr>
<tr>
<td>1922</td>
<td>1,624.935</td>
<td>4,376</td>
<td>41,206</td>
<td>9.44</td>
</tr>
<tr>
<td>1923</td>
<td>1,392.678</td>
<td>2,774</td>
<td>37,306</td>
<td>9.88</td>
</tr>
<tr>
<td>1924</td>
<td>1,181.957</td>
<td>3,337</td>
<td>27,929</td>
<td>8.37</td>
</tr>
<tr>
<td>1925</td>
<td>846.747</td>
<td>2,437</td>
<td>22,576</td>
<td>9.26</td>
</tr>
<tr>
<td>1926</td>
<td>630.722</td>
<td>2,816</td>
<td>19,530</td>
<td>6.94</td>
</tr>
<tr>
<td>1927</td>
<td>768.970</td>
<td>3,707</td>
<td>17,992</td>
<td>4.85</td>
</tr>
<tr>
<td>1928</td>
<td>808.346</td>
<td>4,184</td>
<td>24,489</td>
<td>5.85</td>
</tr>
<tr>
<td>1929</td>
<td>1,500.675</td>
<td>7,529</td>
<td>40,712</td>
<td>5.11</td>
</tr>
<tr>
<td>1930</td>
<td>1,399.914</td>
<td>7,419</td>
<td>35,572</td>
<td>4.79</td>
</tr>
<tr>
<td>1931</td>
<td>5,654.173</td>
<td>10,625</td>
<td>166,051</td>
<td>15.62</td>
</tr>
<tr>
<td>1932</td>
<td>7,634.263</td>
<td>10,960</td>
<td>235,153</td>
<td>25.77</td>
</tr>
<tr>
<td>1933</td>
<td>14,058.782</td>
<td>22,590</td>
<td>401,149</td>
<td>17.76</td>
</tr>
<tr>
<td>1934</td>
<td>11,338.802</td>
<td>21,960</td>
<td>343,028</td>
<td>15.62</td>
</tr>
<tr>
<td>1935</td>
<td>18,348.309</td>
<td>25,014</td>
<td>565,922</td>
<td>22.62</td>
</tr>
<tr>
<td>1936</td>
<td>27,305.085</td>
<td>24,042</td>
<td>796,776</td>
<td>33.14</td>
</tr>
<tr>
<td>1937</td>
<td>28,847.565</td>
<td>25,778</td>
<td>792,618</td>
<td>30.75</td>
</tr>
<tr>
<td>1938</td>
<td>27,712.210</td>
<td>50,448</td>
<td>719,914</td>
<td>14.25</td>
</tr>
<tr>
<td>1939</td>
<td>27,702.090</td>
<td>66,500</td>
<td>724,245</td>
<td>10.89</td>
</tr>
<tr>
<td>1940</td>
<td>32,928.690</td>
<td>73,540</td>
<td>1,348,821</td>
<td>18.34</td>
</tr>
<tr>
<td>1941</td>
<td>50,734.931</td>
<td>85,303</td>
<td>2,592,661</td>
<td>30.39</td>
</tr>
</tbody>
</table>

Sources: Senbaikyoku, Senbai shi, 3:527, 540; Sōtokufu, Tōkei nempo, 1933, 633; Mantetsu, "Chōsen ahen mayaku," 9; Kōseikyoku eiseika, "1941-nen ahen oyobi mayaku jigyō gaiyō," JFMA, File D.2.5.0.1-1.

*993 square meters
company's concession in 1928 and undertake morphine and heroin production under the auspices of the Monopoly Bureau.\textsuperscript{119}

The Monopoly Bureau narcotics factory was built in Keijō at a total cost of seventy thousand yen. It was able to commence operation in March 1930, employing twenty workers. The factory had facilities for processing raw opium, and producing, drying, and packaging heroin and morphine. The Monopoly Bureau sold its narcotics to officially-licensed wholesalers, for sale to retailers and physicians. Prices at each level of sale were based on current market prices in Tokyo and Osaka.\textsuperscript{120}

The Monopoly Bureau had initially planned to rely solely on domestic raw opium for processing into narcotics, but low levels of opium production in the 1920s left the authorities with a shortage when the Keijō narcotics factory commenced operations in 1930. In order to compensate for the shortfall, and at the same time, to cut production costs, the Monopoly Bureau made arrangements to obtain semi-processed narcotics from two outside sources.\textsuperscript{121} The first was the Kwantung Leased Territory, which shipped 800 kilograms of confiscated contraband morphine to Korea in 1930-1931 as quid pro quo for Korean raw opium.\textsuperscript{122} The second source was Taiwan.
In April 1931 Korea concluded a barter agreement with Taiwan similar to the arrangement with Kwantung: in return for raw opium, Taiwan would furnish Korea with crude morphine, a by-product of the production of smoking paste which had accumulated over the years to a total of 20,000 pounds in 1930. The arrangement was mutually satisfactory while it lasted. The Korean Monopoly Bureau was able to process the Taiwan crude morphine into morphine and heroin with little difficulty, while the Taiwan Monopoly Bureau doubly benefitted: delivery to Korea offered a partial solution to the problem of crude morphine disposal, and the Korean opium received was processed into smoking paste.

The head start provided by the semi-processed narcotics from Kwantung and Taiwan allowed the Monopoly Bureau to manufacture large quantities of morphine and heroin from the very beginning. Nearly 200 kilograms of morphine and over 100 kilograms of heroin were produced at the Keijo factory in its first year of operation alone. A high level of quality, too, was attained quickly; by 1932 Monopoly Bureau narcotics were considered on par with Japanese pharmaceuticals.

Initially, the morphine and heroin produced by the Monopoly Bureau factory were intended to meet Korea's domestic medicinal requirements and the demands of the
TABLE 4
MORPHINE, HEROIN, AND MEDICINAL-USE OPIUM
PRODUCTION BY THE MONOPOLY BUREAU IN
KOREA, 1930-1937, INCLUSIVE
(in kilograms)

<table>
<thead>
<tr>
<th>Year</th>
<th>Morphine hydrochloride</th>
<th>Diacetylmorphine hydrochloride</th>
<th>Medicinal-use opium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>195.58</td>
<td>103.10</td>
<td>10.93</td>
</tr>
<tr>
<td>1931</td>
<td>272.00</td>
<td>155.00</td>
<td>12.49</td>
</tr>
<tr>
<td>1932</td>
<td>274.93</td>
<td>135.79</td>
<td>10.35</td>
</tr>
<tr>
<td>1933</td>
<td>267.01</td>
<td>156.76</td>
<td>. . .</td>
</tr>
<tr>
<td>1934</td>
<td>310.32</td>
<td>100.81</td>
<td>9.94</td>
</tr>
<tr>
<td>1935</td>
<td>84.25</td>
<td>. . .</td>
<td>5.03</td>
</tr>
<tr>
<td>1936</td>
<td>. . .</td>
<td>. . .</td>
<td>11.90</td>
</tr>
<tr>
<td>1937</td>
<td>. . .</td>
<td>. . .</td>
<td>59.71</td>
</tr>
</tbody>
</table>

Sources: Sotokufu, Tokei nenpō, 1933, 633; Sotokfu, Tokei nenpō, 1939, 298.

addict registration and treatment program (mostly the latter), but when the number of addicts fell off sharply in 1935, the sudden drop in demand left the Monopoly Bureau with an overstock of morphine and heroin. As a result, production was suspended and the shipment of crude morphine from Taiwan was halted.127

The Drugging of a Nation?

In a 1944 critique of Japanese colonial rule in Korea, Institute of Pacific Relations researcher Andrew J. Grajdanzev noted the expansion of opium and narcotics production during the 1930s. He concluded that the
purpose behind it was a plan of the Japanese authorities to distribute the drugs to the Korean people, and thus insure submission through stupefaction.\textsuperscript{128}

In fact, very little of the opium and narcotics produced in Korea actually remained there; from 1935 to 1945, over 90 percent of the colony's total output was exported.\textsuperscript{129} Kwantung and Manchukuo continued to consume most Korean raw opium, and when the Monopoly Bureau narcotics factory resumed operations after a hiatus of two years, most of the morphine and heroin produced was exported to Japan and Manchukuo. Moreover, despite ever-rising levels of production, the Korean Monopoly Bureau remained under constant strain to fill export quotas. The pressure intensified after the outbreak of hostilities with China in 1937, followed by war in the Pacific in 1941, when Korean opium and narcotics came to figure even more prominently in the Japanese government's plans to meet wartime demands for pharmaceuticals.
CHAPTER III

THE ORIGINS OF JAPANESE DRUG TRAFFICKING IN CHINA

In China, nine million of kan of opium are consumed annually, at a cost of 500 million yen. If cultivation and production succeed with government encouragement, exports to China will be a boon to the nation.

-Nitan'osa Otozō, 1915

During the First World War, Japan experienced an unprecedented economic boom, as the nation's industries moved rapidly to fill domestic and international markets abandoned by European competitors. One such success was the opium and narcotics industry. Before the war, Japan had imported most of its raw opium from the Ottoman Empire, Persia, and India, but as wartime inflation and curtailed access threatened a shortage, the Japanese government loosened its traditional policy of strict control and encouraged domestic production. Although the monopoly system remained, poppy farmers were provided with technical assistance and paid higher rates of official compensation.

Moreover, as hostilities with Germany cut off Japan from its major prewar source of narcotics, the government encouraged national self-sufficiency by lifting most of the restrictions on production. Raw materials for morphine,
heroin, and cocaine previously under strict control were made accessible to private pharmaceutical companies, and there were no official limits on production. Opium and narcotics producers responded enthusiastically, and levels of domestic output seemed to indicate that Japan was well on the way to self-sufficiency by 1918. At the same time, however, the importation of narcotics continued unabated, leaving Japan with a huge surplus at the end of the war.

Coinciding with the growth of the pharmaceutical industry was the increasingly active role of Japanese drug traffickers in China. Operating from safe havens in Japanese-controlled territorial enclaves in southern Manchuria and Shantung Province, and virtually unopposed by the authorities, drug traffickers formed a shadowy periphery of Japan's expanding political and economic influence in China during the First World War.

By the beginning of the 1920s, the forces of supply and distribution had found each other, and out of their marriage of convenience Japan emerged as one of the leading suppliers of illicit narcotics to China.

The Emergence of the Opium and Narcotics Industry in Japan

Nitan'osa Otozō: The Opium King

Nitan'osa Otozō was a persistent man. Born Kawabata Otojirō in 1875, he was the son of a peasant family hailing
from Fukui village in Osaka Prefecture. As a native of Fukui, Otojiro was aware that his village had prospered from the opium trade during the Tokugawa Period, when farmers were able to sell their harvests directly to druggists in Osaka. That prosperity, however, had ended abruptly with the establishment of the government monopoly in 1879.

Though still only in his teens, Otojiro burned with a desire to restore Fukui to its former glory through a resumption of opium production. In 1891 he began to collect and grade wild poppy seeds, saving the best for future planting. Two years later, he set off on a trip to study farming, supporting himself along the way by peddling pens and ink. During his travels across the country he was able to observe the successful application of scientific methods to agriculture, and came away even more convinced that poppy farming in Japan could be revivified from its state of near-extinction. Upon returning to Fukui, Otojiro dedicated himself to his self-appointed mission with a single-minded zeal bordering on monomania.

The young farmer's return to his native village coincided with Japan's annexation of Taiwan, an event that would have a significant impact on his fortunes. While officials in Tokyo were wrangling over how to
suppress opium smoking on the island colony, Otojiro saw
the prevalence of the habit among the Taiwanese as a golden
opportunity. With an annual consumption of over 50,000
kan (187,500 kilograms), Taiwan was a huge potential market
for Japanese opium, if only the authorities would encourage
domestic production.8

Seizing the moment, Otojiro barraged the government
with petitions to carry out poppy cultivation on a trial
basis, in order to prove that Japan could produce enough
opium to meet Taiwan's requirements. In one such petition
he argued:

... [Taiwan] spends millions every year to purchase
foreign opium, so why not use domestic opium in its
place? If domestic [opium] is inferior to foreign,
then cultivation and production methods must be
improved. If domestic and foreign are both of high
quality, then domestic should be used exclusively.
My idea will fit in with the aims of existing
government plans to encourage agriculture and protect
against excessive foreign imports.9

Travelling to Tokyo in 1896 to deliver his petitions
in person, Otojiro was fortunate enough to make the
acquaintance of Katō Takashi, the Hygiene Bureau
functionary and putative advocate of opium prohibition
on Taiwan. Katō passed along one of the petitions to his
superior Gotō Shinpei, who was sufficiently intrigued
to sanction a test planting.10 Furnished with a permit
from the Home Ministry, Otojiro was able to obtain high-
quality poppy seeds from all over the world and begin experiments in cross-cultivation.11

Goto visited Otojiro in May 1896, and reportedly was impressed with the first test crop, which was just then blooming.12 Assured of the powerful official's continuing patronage, the young farmer prospered materially and socially. In 1901 he married the daughter of a local physician and was adopted into her family, taking her maiden name of Nitan'osa while also changing his given name to Otozō.13

Goto, meanwhile, had moved on to Taiwan to become the island's chief civil administrator, but did not forget his protege in Fukui. Like Nitan'osa, he was dissatisfied with Taiwan's continuing dependence on imports of raw opium from India and Persia, which left the colony vulnerable to fluctuations in the international market price. However, poppy cultivation on Taiwan had proved a failure, and with the market price of opium remaining steady at a reasonable level, there was no reason to change the status quo during the first few years of the Monopoly Bureau's operation.14

In 1905 the market price of Indian and Persian opium suddenly rose, forcing the Taiwan Monopoly Bureau to seek out less expensive substitutes.15 Goto immediately wired the Home Ministry for permission to lease roughly twenty
hectares of land around Fukui in order to carry out a test planting of poppies. Upon receiving Home Ministry approval in August 1905, Goto commissioned Nitan'osa to direct the test. 16

Unfortunately for Nitan'osa, the project was plagued with difficulties. Due to a delay in the rice harvest, poppy planting could not be started until October 1905, which turned out to be unseasonably cold. 17 As a result of weather and insect damage, the harvest in the following spring was much lower than expected, totalling under 250 kilograms of raw opium. Another test was sanctioned for the 1906-1907 season, but yielded a similarly disappointing harvest on account of damage from hail and the general inability of the poppy plants to adapt to the soil and climate. 18 Given the unsatisfactory results of the test, as well as a downturn in the market price of Indian and Persian opium, the Taiwan Monopoly Bureau cancelled the test cultivation venture in 1907. 19

Undaunted by failure, Nitan'osa pressed forward. He applied himself to the task of improving planting and harvesting techniques, and eventually was able to produce poppies yielding opium with a very high morphine content. 20 Not confining his efforts to the field, the dogged farmer continued to petition for government support of domestic opium production. He fought especially hard for the
resumption of free trade, believing that the rigid
government monopoly was throttling the development of
a lucrative opium industry. Beginning his campaign for
free trade in 1901, Nitan'osa had a tantalizing brush
with success in 1906, when one of his petitions survived
as far as the Lower House of the Diet before vanishing
into the bureaucratic void. 21

Although he could not convince the government to
scrap the monopoly, Nitan'osa achieved a measure of success
in making the existing system more responsive to producers.
In August 1911 he persuaded the Home Ministry to double
the rate of payment to poppy farmers, and also to purchase
domestic opium with a morphine content of less than 5
percent (up to that point, it was being confiscated and
destroyed by the government). Moreover, constant prodding
from Fukui caused the Home Ministry to begin speeding
up reimbursement to farmers, a process that had previously
taken up to five months. 22

With his rough peasant manners, thick local dialect,
and penchant for petitions, Nitan'osa may have seemed
an unlikely candidate for royalty, but his ceaseless
efforts on behalf of the poppy earned him the unofficial
title of Japan's "opium king." As he made preparations
for the fall planting in 1914, the opium king did not
realize that his reign was on the verge of a golden age.

83
Hoshi Hajime: "Drugs Are Hoshi"

If Nitan'osa was the opium king, then Hoshi Hajime was Japan's narcotics king. Born in Fukushima Prefecture in 1873, Hoshi graduated from the Tokyo School for Commercial Law (present-day Hitotsubashi University) in 1894. He then travelled to New York, where he pursued graduate studies at Columbia University. After receiving an M.A. from Columbia in 1901, Hoshi worked for a time as a journalist, and established the first Japanese newspaper in New York, the Japanese-American Commercial Weekly.23

Returning to Japan in 1905, Hoshi mulled over career options. With his background he could easily have continued in journalism, and he had also received an offer of employment from the Government-General of Korea.24 Nevertheless, Hoshi eschewed both in order to be his own boss, and with 400 yen in capital he started a patent medicine business in 1906.25

At first glance, patent medicines seemed an unlikely occupation for Hoshi, who had studied economics and politics rather than pharmacology. However, during his days as a struggling student in New York he lived in constant fear of becoming ill and having to pay for a physician's care. Left by that experience with a quirky streak of hypochondria and parsimony, Hoshi became
convinced that over-the-counter nostrums were the best way to maintain good health and avoid costly professional medical treatment.  

Success with patent medicines convinced Hoshi that narcotics could also be profitable, and in 1910 he formed the Hoshi Pharmaceutical Company in order to begin producing morphine. Almost immediately he encountered two obstacles. First, because German imports completely dominated the market, no one in Japan even knew how to process raw opium into morphine. Second, the raw opium necessary for morphine production was inaccessible to private companies due to the strict control of the government monopoly.

While his chemists were experimenting on morphine production methods, Hoshi looked for a way around the Japanese government's opium control laws. In this endeavor, he enlisted the support of Gotō Shinpei, whom he had met several years before during his journalist days. Gotō proved sympathetic to Hoshi's plans, and provided him with introductions to influential officials of the Taiwan Government-General, including the director of the Monopoly Bureau, Kaku Sagatarō.

Making use of his newly-established connections, Hoshi was able to dispatch several members of his research staff to Taiwan to study the Monopoly Bureau's opium
production operations. When they reported back that the blending of smoking paste created a residue of semi-processed morphine (crude morphine), Hoshi had an inspiration: why not substitute crude morphine, which was not under government control, for raw opium in the production of morphine? 

Assured by his chemists that the substitution was feasible, Hoshi approached Kaku with an offer to purchase part of the crude morphine stock accumulated by the Taiwan Monopoly Bureau. Kaku assented, for sale to Hoshi would be a profitable way to dispose of what was considered essentially a waste product. Significantly, the agreement was concluded in May 1914, on the eve of the First World War.

Opium Production in Japan During the First World War

In August 1914 Indian raw opium was selling on the international market for 937 yen per chest, while Persian opium was quoted at 1,056 yen per chest in September. By the end of 1916 the wartime demand for opiates had pushed those prices up to 2,336 yen and 2,460 yen, respectively. Moreover, even if the opium could be had at higher prices, chronic shortages of shipping made delivery to Japan increasingly uncertain.

Faced with mounting difficulties in importing opium, the Japanese government began to show an interest in
filling the gap with domestic production. Nitan'osa Otozō, whose calls for greater self-sufficiency largely had been ignored before the war, suddenly found his expertise in demand. In February 1915 a representative from the Agriculture and Trade Ministry (Nōshōmushō) visited Nitan'osa in Fukui in order to observe his poppy farming techniques. Shortly thereafter, his status as an authority was further acknowledged with an invitation to deliver a lecture on opium production at the Home Ministry's Hygiene Laboratory. Completing a busy spring was the visit of a delegation of Home Ministry and Osaka prefectural government officials in April 1915; on the basis of their recommendation, several agriculture students were dispatched to Fukui to serve as apprentice poppy farmers under the tutelage of the opium king.33

With the appointment of Nitan'osa'a patron Gotō Shinpei as Home Minister in 1916, the cause of opium self-sufficiency gained a powerful champion in the upper circles of the government. Aware that the international opium shortage would soon reach a crisis point, Goto created a special commission to investigate Japan's total medicine requirements and recommend steps to make the nation less dependent on imports. On 31 May 1917 the commission reported its findings to Gotō, recommending that the
government take an active role in stimulating production: providing subsidies to poppy farmers was one suggestion.\textsuperscript{34}

Although the Japanese government did not go to the extreme of subsidies, Goto's Home Ministry assisted prospective poppy farmers by distributing free seeds and devising a short training course on the basics of opium production.\textsuperscript{35} At the same time, the rate of government compensation paid to domestic opium producers was raised in order to bring it more into line with international market prices. In November 1917 the Home Ministry announced that it would begin paying 4.00 yen per 100 monme (375 grams) of opium with a 5-6 percent morphine content, double the previous rate.\textsuperscript{36} The 1917 rate was then more than quadrupled to 17.00 yen in December of the following year.\textsuperscript{37}

Also beginning to feel the pinch of high wartime prices, the Taiwan Monopoly Bureau showed a renewed interest in Japanese opium. In November 1913 a certain Nakamura Kenjiro of Osaka was contracted to test cultivate poppies for sale to the Monopoly Bureau. Although the test produced only a miniscule quantity of opium, the Taiwan officials were impressed with its high morphine content. Encouraged by Nakamura's results, the Monopoly Bureau continued to purchase small amounts of opium from
Nitan'osa and other Japanese farmers until 1920, when international market prices returned to prewar levels.  

As a result of greater demand and higher prices, opium production in Japan showed impressive gains. According to Home Ministry figures, output rose from a total of 33 pounds in 1914 to 846 pounds in 1915. The 1915 figure was nearly tripled to 2,546 pounds in 1916, and in 1917 a wartime peak of 3,242 pounds was reached. More and more Japanese farmers began to heed Nitan'osa's advice and supplement their earnings by growing poppies; while the opium king and a handful of other die-hards had barely managed to keep the industry from dying out before the war, the Home Ministry reported over 3,000 licensed poppy farmers in 1916 alone. At the same time, the level of technical proficiency improved, as indicated by the fact that the 1917 peak in wartime production was achieved on half the acreage of the previous year.

As the opium industry flourished during the First World War, so too did Nitan'osa's personal fortunes. He continued to play an active role in promoting poppy farming, first as an advisor to the Home Ministry, and then as the chairman of a private organization of opium producers. Wealth and prestige, however, apparently had little effect on the character of the opium king, who
considered his labors a patriotic contribution to Japan's economic prosperity.43

At the same time, he seems to have felt no qualms about securing the nation's prosperity at the expense of others. Long an advocate of a return to free trade at home, Nitan'osa went even further during the war, urging the Japanese government to permit the export of opium to China. With a narrowly mercantilist perspective, he saw opium merely as a commodity to be exported to a lucrative foreign market, thus benefiting the Japanese economy by reducing the national debt and establishing a favorable balance of trade. That Japanese opium would cause harm to China by feeding the habits of Chinese addicts was dismissed in passing: "Opium is a terrible poison, but the drain of gold [i.e., Japan's trade deficit] is also very deplorable."44

Eventually, opium produced by Nitan'osa and other Japanese farmers did find its way to China, processed into morphine and heroin, and introduced via the illicit traffic.

**Wartime Narcotics Production**

Coinciding as it did with the outbreak of the war in Europe, Hoshi Hajime's pioneering venture into narcotics production acquired a patina of prescience. As the only Japanese manufacturer in business when the war began,
he enjoyed a virtual monopoly over the domestic market until 1917. Despite impressive levels of output in 1915 and 1916, however, Hoshi Pharmaceutical alone could not at that time meet the nation's total demand for narcotics. Consequently, Gōtō Shinpei's Home Ministry took steps to facilitate domestic narcotics production by removing obstacles to private manufacturers.

In 1917 the Hygiene Bureau of the Home Ministry removed one such obstacle by publishing a discovery of one of its scientists: the formulae for processing morphine and heroin. By making the formulae a matter of public record, the Home Ministry gave prospective manufacturers an enormous head start in the business, saving them time and money that otherwise would have been spent on research and development.45

Even more significant was the promulgation of a new opium control law in August 1917, which fundamentally revised the government monopoly system. Since the creation of the government monopoly in 1879, individuals (with the exception of licensed physicians and druggists) and companies were forbidden to possess or purchase opium for any purpose. Under the provisions of the new law, private concerns were permitted to purchase raw opium expressly for the manufacture of morphine and other opium alkaloids.46 Moreover, although the government established
ceilings on the amount of opium that companies would be allowed to import every year, there were no restrictions on output other than an individual company's financial ability to purchase raw materials and its capacity for production.47

In the friendlier business climate, three major pharmaceutical firms emerged to compete with Hoshi: Naikoku, Dai-Nippon, and Radium. With four producers now in the field, domestic narcotics output climbed rapidly.

TABLE 5
NARCOTICS PRODUCTION IN JAPAN,
1914-1918, INCLUSIVE
(in pounds)

<table>
<thead>
<tr>
<th>Year</th>
<th>Morphine hydrochloride</th>
<th>Heroin hydrochloride</th>
<th>Cocaine hydrochloride</th>
</tr>
</thead>
<tbody>
<tr>
<td>1914</td>
<td>. . .</td>
<td>. . .</td>
<td>. . .</td>
</tr>
<tr>
<td>1915</td>
<td>100</td>
<td>. . .</td>
<td>. . .</td>
</tr>
<tr>
<td>1916</td>
<td>600</td>
<td>. . .</td>
<td>. . .</td>
</tr>
<tr>
<td>1917</td>
<td>1,190</td>
<td>154</td>
<td>150</td>
</tr>
<tr>
<td>1918</td>
<td>2,134</td>
<td>1,676</td>
<td>2,294</td>
</tr>
</tbody>
</table>

Source: Kaburagi, Ahen hōki yōkai, 45.

According to the Home Ministry, morphine production increased from a total of 100 pounds in 1915 to 2,134 pounds in 1918; heroin, which was not even manufactured
in Japan until 1917, jumped from 154 pounds in its inaugural year to 1,676 pounds in 1918 (see table 1).

### TABLE 6

<table>
<thead>
<tr>
<th>Year</th>
<th>Morphine hydrochloride</th>
<th>Heroin hydrochloride</th>
<th>Cocaine hydrochloride</th>
</tr>
</thead>
<tbody>
<tr>
<td>1913</td>
<td>1,828</td>
<td>50</td>
<td>3,264</td>
</tr>
<tr>
<td>1914</td>
<td>11,297</td>
<td>41</td>
<td>3,725</td>
</tr>
<tr>
<td>1915</td>
<td>22,408</td>
<td>191</td>
<td>4,272</td>
</tr>
<tr>
<td>1916</td>
<td>34,525</td>
<td>57</td>
<td>4,892</td>
</tr>
<tr>
<td>1917</td>
<td>36,794</td>
<td>4</td>
<td>6,556</td>
</tr>
<tr>
<td>1918</td>
<td>8,702</td>
<td>1,698</td>
<td>4,556</td>
</tr>
</tbody>
</table>


By the end of 1918, the Japanese pharmaceutical industry had developed the capacity to produce enough, or nearly enough, morphine, heroin, and cocaine to meet the nation's annual medical requirements. Despite this impressive achievement, Japan continued to purchase large quantities of narcotics on the international market; in fact, wartime imports even exceeded prewar averages. As a result, Japan emerged from the First World War with stocks of morphine, heroin, and cocaine far in excess of legitimate domestic needs. Foreign observers of this phenomenon were driven to wonder aloud why Japan had
accumulated such a surplus, and more importantly, where the surplus was going.\textsuperscript{50} Revelations about drug trafficking in Japanese-controlled territorial enclaves in China seemed to provide an answer.

Opium and Narcotics Trafficking in China

The Kwantung Opium Farm

While the colonial regimes in Korea and Taiwan were able to claim at least some degree of success in opium and narcotics control, the Kwantung Leased Territory did not acquire even a veneer of respectability during the forty years of Japanese rule.\textsuperscript{51} Opium smoking among the Chinese population of the territory was regarded largely with indifference by the authorities, except as a source of revenue. Official laxity and the transportation facilities that made the territory such an excellent vehicle for Japan's economic penetration of Manchuria, namely the South Manchurian Railway (commonly abbreviated Mantetsu)\textsuperscript{52} and the port of Dairen (Talien), combined to turn Kwantung into a major hub of the drug traffic.

By the time of the Japanese occupation, the opium trade was already well-entrenched in the Kwantung Territory. Content to collect revenue from a likin tax on imported opium, the local Ch'ing authorities took no action to control the consumption or trafficking of the
drug. During the brief period of Russian rule, too, there was no official interference with the opium trade beyond the replacement of the likin with a tax on retail sales and opium dens.\(^{53}\)

After reinstating the Ch'ing tax system as an interim measure, in October 1906 the Japanese authorities adopted a type of opium monopoly commonly known as the farm system (tokkyo seido). Unlike the government-operated monopolies of Taiwan and Korea, in the Kwantung Territory the authorities awarded a monopoly, in the form of exclusive rights over the importation and sale of opium (i.e., opium farm), to a Chinese merchant named Pan Chung-kuo.\(^{54}\) In November 1907 Pan was joined in business by Ishimoto Kantarō, a shadowy Japanese resident of Dairen.\(^{55}\) Pan and Ishimoto imported raw opium, processed some of it into smoking paste, and then wholesaled both raw and processed opium to retailers.\(^{56}\)

Over the next several years, the Kwantung authorities periodically announced plans for strict opium control without ever advancing them beyond paper. In September 1908 a provision prohibiting the trafficking, possession, and smoking of opium was inserted into the criminal code, only to be shelved immediately when the authorities decided that prohibition was "impractical" for the time being.\(^{57}\) Similarly, when the meeting of the International Opium
Commission at Shanghai in 1909 and revelations of China's success in carrying out prohibition focused international attention on opium control in Asia, the government in Kwantung moved to forestall critics by declaring in 1911 that opium smoking would be eradicated by the end of 1914. At the same time, the authorities proposed to reform the existing monopoly system in a number of ways: establishment of a Taiwan-style addict registration and licensing system, criminalization of unlicensed opium smoking, abolition of all opium dens by the end of 1911, strict licensing of retailers, and stronger measures against smuggling.

During the next three years there was little progress on opium control. The government managed to set the registration and licensing scheme into motion in 1912, but netted fewer than 3,000 addicts. Opium dens not only were not closed, but did a flourishing business catering to the needs of at least 30,000 opium smokers, a large percentage of whom were Chinese migrants in transit between Shantung and Manchuria. Finally, after failing to meet the 1914 deadline and blaming the failure on what official sources obliquely referred to as "various abuses" of the farm system, the authorities cancelled the contract with Ishimoto and Pan.

In 1915 the Kwantung opium farm passed not to another private merchant, but to the Hung-chi Benevolent
Association (Kōsai zendo), which was described as a philanthropic organization comprised of wealthy Chinese. Along with the appointment of a new "farmer" came changes in the monopoly system, ostensibly to improve opium control. First, although the Hung-chi Association monopolized the import of raw opium and its wholesale to retail dealers, all of the monopoly's annual profits were to be transferred to the government in the form of a "license fee" (presumably, this was acceptable to the membership of the Hung-chi Association, which was a social welfare organization and not a profit-making venture). Second, in order to conduct the day-to-day operations of the opium monopoly, the Hung-chi Association established an "Opium Prohibition Office" (Kaienbu), with headquarters in Dairen and branches in other major cities of the Kwantung Territory. Third, all of the major decisions by and regarding the Opium Prohibition Office were subject to the approval of the Dairen civil governor: staff hirings and firings, the budget, annual raw opium purchases, local wholesale and retail prices, etc.

Although the avowed intention of the new monopoly scheme was the eventual elimination of opium smoking, the quantity of opium handled in the Kwantung Territory
TABLE 7
OPIUM IMPORT, WHOLESALE, RETAIL SALE IN THE KWANTUNG TERRITORY, 1912-1918, INCLUSIVE
(in kilograms)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount imported (raw opium)</th>
<th>Amount sold at wholesale</th>
<th>Amount sold at retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1912</td>
<td>. . .</td>
<td>3,637.5&lt;sup&gt;c&lt;/sup&gt;</td>
<td>3,637.5</td>
</tr>
<tr>
<td>1913</td>
<td>. . .</td>
<td>5,385.0&lt;sup&gt;c&lt;/sup&gt;</td>
<td>1,447.5</td>
</tr>
<tr>
<td>1914</td>
<td>. . .</td>
<td>18,960.0&lt;sup&gt;c&lt;/sup&gt;</td>
<td>1,117.5</td>
</tr>
<tr>
<td>1915</td>
<td>37,837.5</td>
<td>34,125.0</td>
<td>1,410.0</td>
</tr>
<tr>
<td>1916</td>
<td>49,432.5</td>
<td>28,525.5&lt;sup&gt;ad&lt;/sup&gt;</td>
<td>2,527.5</td>
</tr>
<tr>
<td>1917</td>
<td>34,451.25</td>
<td>34,267.5&lt;sup&gt;d&lt;/sup&gt;</td>
<td>3,161.25</td>
</tr>
<tr>
<td>1918</td>
<td>46,931.25</td>
<td>29,261.25</td>
<td>. . .</td>
</tr>
</tbody>
</table>


<sup>a</sup>Opium sold by the monopoly to retailers.

<sup>b</sup>Opium sold by retailers to smokers.

<sup>c</sup>Includes both processed and raw opium.

<sup>d</sup>According to the Takushokukyoku report. The Kwantung Government report puts the figure at 37,215 kilograms.

actually increased under the stewardship of the Hung-chi Association. While the volume of opium wholesaled by the Ishimoto-Pan combine had jumped more than three-fold from 5,385 kilograms in 1913 to nearly 19,000 kilograms in 1914, the Hung-chi Association's annual total from 1915 to 1918 was even higher, averaging approximately 31,125 kilograms.65
Also suspicious were the large gaps between opium import, wholesale, and retail figures. In 1916, when the gaps were most apparent, the Hung-chi Association reported that approximately 28,000 kilograms of over 49,000 kilograms of raw opium imported had been sold to retailers: moreover, from the 28,000 of raw opium sold to retailers for the production of smoking paste, approximately 2,500 kilograms of smoking paste were reported to have been sold to consumers. As the Koga case revealed, opium poured into the illicit traffic in China through those gaps.

The Koga Opium Scandal

Content to collect the annual "license fee," the Kwantung authorities did not inquire too closely into the operations of the Hung-chi Association opium farm until corruption threatened to cut into official revenue. A scandal finally erupted in the spring of 1921, when the Kwantung police arrested Obata Teijirō, an employee of the Opium Prohibition Office. In his confession, Obata revealed the existence of a conspiracy of officials and traffickers to embezzle a large quantity of opium from the monopoly and sell it on the open market. Further investigation led to two significant arrests: first, Nakano Arimitsu, the civil governor of Dairen, and then Koga.
Renzō, the director of the Colonization Bureau (Takushokukyoku) and a close political associate of Prime Minister Hara Takashi.68 On 8 July 1921 Koga, Nakano, Obata, and eight others were indicted in Dairen.69

The trial dragged on for over a year. The prosecution charged that the conspiracy originated in Tokyo between Koga and Kajii Sakari, one of the other defendants. In February 1918 they recruited into the plot Koga's protege Nakano, who was about to take up the post of Dairen civil governor. Nakano then took advantage of his authority as civil governor to appoint Obata, another associate of Koga, to the Opium Prohibition Office. Obata, as the "inside man" of the conspiracy, handled the actual embezzling of the opium.70

The defense attorneys, confronted with the daunting task of refuting the prosecution's detailed case, employed a variety of arguments ranging from the trenchant to the absurd. On the trenchant side, the defenders questioned the legal basis of the case, given the lack of a clear-cut opium law in the Kwantung Territory.71 Leaning toward the absurd was the claim of Nakano's lawyer that 230,000 yen deposited into his client's bank account by Obata was not used for private enrichment, but instead had been embezzled for the benefit of the public.72
On 8 August 1922 the Kwantung court handed down a verdict in the criminal trial; Nakano, Obata, Kajii, and Koga were found guilty, and the rest were acquitted. Nakano was sentenced to prison for one year and four months, Obata and Kajii received one-year sentences, and Koga was sentenced to six months' imprisonment, suspended for three years. A civil action followed, with the Kwantung Government acting as the plaintiff in an effort to recover its lost opium revenue. As a result, some of the defendants were ordered to pay restitution, the amount of which provides an indication of the huge profits reaped by the conspirators: Nakano, Obata, and Kajii jointly were ordered to pay back 140,000 yen, while Nakano, Obata, and Kanbara Motosuke (the principal financial backer of the conspiracy) jointly were assessed 596,000 yen in restitution payments; finally, Nakano alone was ordered to repay 108,000 yen. The rest of the defendants were found not liable.

As an ironic coda, a fresh scandal involving the Kwantung opium monopoly was uncovered in 1921, just as the trial of the Koga ring was getting underway. An exposé in the Kokumin shinbun charged that in March 1921 officials of the current Dairen civil government had sold nearly 6,000 kilograms of opium at a price far below the market value, thus artificially inflating the profits when the
opium was sold to retailers. The purchasers were two Japanese traders, one of whom was identified as Ishimoto Kantarō, the original holder of the opium farm. However, no legal action was ever taken against the participants in the "second Koga case," as the Kokumin shinbun labelled it.75

From Opium Farm to Government Monopoly

The Hung-chi Association opium farm proved to be a resilient institution, and continued to operate little changed in form despite the revelations of the Koga and Ishimoto scandals, foreign criticism, and the threat of disbandment by the Japanese government.76 In 1924 the Kwantung Government finally promulgated an opium law along the lines of those in Japan, Taiwan, and Korea, but the Opium Prohibition Office (renamed Yakkyoku, or "Pharmacy" in 1920) retained its monopoly over the import and wholesale of opium.77 In the same year the Dairen civil governor ordered the Hung-chi Pharmacy to establish a twenty-bed addict treatment facility, the first of its kind in the Kwantung Territory.78

Ultimately, the opium farm system in the Kwantung Territory fell victim to changing times. Emerging from the 1924-1925 Geneva International Opium Conferences with the satisfaction of having received the major powers' endorsement of government monopolies and gradual
suppression to control opium smoking in Asia, the Japanese government moved to replace the Kwantung opium farm with a Taiwan-style monopoly system. In 1928 the Hung-chi Pharmacy was formally dissolved and replaced by a government Monopoly Bureau (Senbaikyoku), which took over control of the import, production, and sale of opium to addicts.

By the time that the Japanese government replaced the farm system with the government monopoly, however, the issue of opium control had been pushed into the background by a more ominous development: the Kwantung Territory's transformation into a center of the narcotics traffic.

The Narcotics Traffic in Manchuria

According to official published sources, the Kwantung authorities first took action to restrict the possession and sale of morphine and cocaine in 1908 as part of a law governing dangerous drugs. The two narcotics were addressed specifically in regulations promulgated in 1915: possession and sale were to be strictly controlled, and importation required a special permit issued by the local police. Behind the official pronouncements, a far different situation transpired.

Because the Kwantung police issued permits to importers more or less on demand, without verifying that
the narcotics were for medicinal use, nearly 50,000 pounds of morphine flooded into Dairen legally between 1916 and 1920. Most of it was manufactured in Britain and the United States by major pharmaceutical companies such as Wink of London and Merck and Company of New York; making up a small but growing segment of the market was Japanese morphine from none other than Hoshi Pharmaceutical. 82

Swamped by an unexpected deluge of morphine, the Kwantung police attempted to tighten restrictions on imports in 1919, but they only succeeded in driving a large part of the traffic underground without stemming the flood. Moreover, the tighter restrictions actually may have complicated narcotics control in the long run, for they forced some traffickers to open up alternate smuggling routes; one such alternative was to land the drugs at Inchon, Korea and then introduce them into southern Manchuria via Antung, a city on the Manchuria-Korea border. 83 By the early 1920s approximately 700 pounds of narcotics reportedly were passing through Andong every year. 84

Once landed in Dairen or smuggled into southern Manchuria by another route, the morphine made its way northward along the South Manchurian Railway. Given the sheer volume of passenger and commercial traffic handled annually by Mantetsu, the interdiction of drug smuggling
by rail would have been a daunting task even if the police had been acting in earnest. As it was, smugglers were able to secure largely uninterrupted passage for their goods by bribing railway officials to look the other way, and even hired Mantetsu employees to act as couriers.

The distribution of narcotics was for the most part in the hands of another noxious Japanese export to China, the adventurers known as tairiku rōnin. Spiritual descendants of the rōnin, or masterless samurai of the Tokugawa period, the tairiku rōnin began arriving on the continent at the end of the nineteenth century. Drawn there for a variety of reasons, ranging from a simple thirst for adventure to support for political causes such as pan-Asianism and Japanese expansionism, the tairiku rōnin at first concentrated on paramilitary and covert operations: for example, they proved to be especially effective spies during the war with Russia.

Over time the activities of the tairiku rōnin, which always had been of dubious legality, began to take on an overtly criminal hue. Some of the more energetic, such as Konstantin Ivanovich Nakamura of Harbin, managed to carry on a gamut of illicit enterprises simultaneously. A thoroughgoing Russophile (he had even converted to the Orthodox faith), "Kostia" Nakamura ran a barber shop to provide cover for more profitable ventures into gambling,
prostitution, and narcotics trafficking. Miraculously, he managed to avoid arrest in connection with his business operations, while charges of rape (the victim was the thirteen-year-old daughter of his Russian common-law wife) and robbery (drugging and "rolling" unfortunate patrons of his tonsorial establishment) were immediately dropped at the consular court. Mystified neighbors were forced to wait until after the outbreak of the Manchurian Incident in 1931 to discover how Kostia had managed to avoid prosecution.

By the middle of the 1920s Japanese traffickers were not only importing and distributing morphine (and some cocaine), but had also begun to set up heroin production operations in the Kwantung Territory. The technical know-how was provided by young Japanese chemists who, having learned the secrets of heroin processing at the major pharmaceutical companies, went to China to seek fortunes in the underground trade. According to the recollections of one such chemist based in Dairen, heroin production was relatively simple. Operating in groups of three out of small houses or apartments, the chemists could, if they had sufficient raw materials, produce from five to ten kilograms of heroin every day. With heroin fetching one thousand yen per kilogram on the street,
an industrious syndicate could earn up to one million yen annually.  

The Situation in Northern China

While Japanese drug traffickers in the Kwantung Territory were funneling vast quantities of opium and narcotics into Manchuria, a similar scene was being played out on a smaller scale in northern China. Initially, the center of the traffic was the former German territorial concession on the Shantung Peninsula, which was seized by the Japanese army in 1914 and remained under military occupation until 1922. Similar to the Kwantung Territory, the Shantung concession was a commercial hub, with the seaport of Tsingtao and a major railway line connecting Tsingtao with the Shantung provincial capital of Tsinan. Moreover, the authorities, like their counterparts in Kwantung, were apathetic about enforcing opium and narcotics control.

In early 1915 the Japanese military government in Tsingtao awarded an opium farm to a local Chinese merchant, Liu Tzu-shan. Reportedly, Liu paid a deposit of 200,000 dollars for the monopoly rights and agreed to hand over 70 percent of the profits to the authorities, pocketing the other 30 percent. He operated from headquarters in Qingdao styled the "Greater Japan Opium Bureau" (Dai-Nippon ahenkyoku), and set up seven branch offices to distribute...
opium to wholesalers and retailers, who were required to pay him a license fee.  

Like the Hung-chi Association opium farm in Dairen, Liu's monopoly imported opium in a volume that far exceeded the annual needs of the estimated 10,000 local smokers. Most of it arrived in Tsingtao as raw opium purchased in India and Persia and transported by Mitsui, while the Taiwan Monopoly Bureau also sold Liu a large quantity of smoking paste from 1915 to 1918. The Japanese military authorities, satisfied with an annual revenue reported at 3,000,000 dollars (a substantial portion of the budget for the civil administration of Tsingtao) did not inquire too closely into the disposal of the opium; they may even have participated in trafficking. Morphine (along with some cocaine) from Japan, Britain, and the United States followed close behind opium.

Opium and narcotics disembarked at Tsingtao were distributed throughout Shantung Province via the Tsingtao-Tsinan railway. As demand and the volume of the traffic increased, Japanese retail establishments began to spring up along the railway line in large numbers; most retailers operated behind the none-too-subtle cover of druggist shops. Meanwhile, in Tsinan itself over half of the city's 2,000 Japanese residents were engaged in drug peddling, according to a report in 1923. Small businesses
such as manjū shops, souvenir stands, and curio shops were the most common form of cover.98

After Japan's grudging return of the Shantung concession to China in 1922, Tientsin replaced Tsingtao as the hub of the drug traffic in northern China. Up to 70 percent of Tianjin's 5,000 Japanese inhabitants reportedly were connected with the drug traffic in one way or another. Given the complicity of so many residents, the consular police were loath to make narcotics arrests, and only did so in cases of flagrant violation of the law. As one waggish observer summed up this dilemma, "If [the police] thoroughly controlled [the drug traffic], there wouldn't be any Japanese left in Tientsin."99

The Colonial Connection: Taiwan

The Hoshi Scandal

For Hoshi Hajime, the last two years of the First World War brought a series of mixed blessings. On one hand, his morphine business flourished. Thanks to the relaxing of government restrictions, Hoshi was able to purchase raw opium on the international market, which, when combined with the Taiwan crude morphine concession, dispelled any lingering concerns about raw materials.

Moreover, the enterprising narcotics manufacturer took advantage of the freer business environment to expand
his company's operations. With close ties to Government-General officials and a knack of finding low-cost goods, Hoshi broke Mitsui's near-monopoly over the raw opium market. In June 1917 he received the first of many lucrative Monopoly Bureau contracts to purchase and ship Persian raw opium to Taiwan. Nor did the energetic Hoshi stop at opiates; after securing raw materials in South America and Indonesia, he branched out into cocaine and quinine production.

Success in business reawakened dormant political ambitions. A member of the Lower House of the Diet from 1908 to 1912, Hoshi once again entered the political fray as an enthusiastic supporter of the Seiyūkai. At the same time, he put his background in journalism to use by publishing a newspaper which served as a vehicle to advance his political views.

On the other hand, the government's efforts to stimulate the domestic pharmaceutical industry put an end to Hoshi's de facto monopoly. He was angered by the Home Ministry's decision to publish the formulae for morphine and heroin, complaining that it gave his competition an unfair head-start. Moreover, the sudden appearance of three major business rivals aroused his suspicions. A particular bête noire was Naikoku
Pharmaceutical, which Hoshi believed had been financed by his Diet enemies, the Home Ministry, and Mitsui.  

By his own account Hoshi attempted to extend an olive branch to his competitors, with mixed results. When summoned to the Home Ministry in 1917 to receive an explanation of the new opium law, Hoshi proposed to the officials that the Japanese pharmaceutical makers form a purchasing syndicate in order to get a lower price for raw opium. However, his proposal met with a chilly response from the bureaucrats, who, he was appalled to discover, were entirely ignorant of the existence of market forces.

More successful was the formation of the Association for the Promotion of Poppy Cultivation (Keshi saibai shōrei kumiai), a private organization created by Hoshi and the other pharmaceutical manufacturers to locate suitable areas for opium production in Japan and Korea and to assist Japanese poppy farmers. In connection with the work of this organization, Hoshi met the opium king Nitan'osa Otozo, and the two quickly became friends. With little else in common, they were bonded by a mutual interest in opium.

In the meantime, Hoshi's business activities were beginning to emit an undeniable odor. Complaints from the other pharmaceutical companies about the Taiwan crude
morphine concession led to a Diet inquiry into the nature of Hoshi's relations with certain government officials on Taiwan. In particular, the inquiry targeted the Monopoly Bureau chief Kaku Sagatarō, who was widely rumored to be receiving bribes from Hoshi in return for the concession. Kaku was subjected to the discomfort of testifying at the Diet inquiry, but in the end he and Hoshi's other friends in the Taiwan Government-General succeeded in protecting the concession. 107

Although Hoshi blamed the rumor-mongering of his business and political adversaries for the Diet inquiry, the Taiwan crude morphine concession also aroused the suspicions of the British Foreign Office. Because the Taiwan Monopoly Bureau was a major importer of raw opium from India, the Foreign Office was anxious to insure that the opium was being consumed on Taiwan and not ending up in the traffic to China. British consular officials on Taiwan conducted a series of investigations on the disposal of opium by the Monopoly Bureau, and were alarmed to discover that after the crude morphine had been delivered to Hoshi it simply "disappeared" from official records. Attempts to obtain further information were met with silence or outright hostility from Kaku and other Government-General officials. 108 Summing up the results

112
of one such investigation, the consul in Tansui wrote in 1921:

... while I am in possession of no proof other than what I consider strong circumstantial evidence, I feel no doubt but that this nefarious traffic exists in connection with opium, and that form ... is smuggling of morphine into China through direct or indirect agency of Hoshi Company. Certain officials must inevitably be cognisant of this traffic, and some are no doubt participating in the profits. One of the latter is undoubtedly Mr. Kaku, Director of the Monopoly Bureau, since not only do rumours freely connect his name with this traffic, but it would, moreover, be impossible to carry on same on a large scale without his connivance.

How large was the scale of the traffic? According to the official history of the Taiwan Monopoly Bureau, during Hoshi's concession from 1915 to 1924 the narcotics maker purchased a total of 62,817 pounds of crude morphine for a total of approximately eight million yen. After disappearing from official records, Hoshi's morphine could be found in China from Fukien Province in the south to places as far north as Tsitsihar, in northern Manchuria.

In the end, Hoshi's maneuvers in the raw opium trade, not the narcotics business, entangled him in legal difficulties. With a talent for picking out loopholes in the Japanese government's opium laws, he had discovered that it was possible to import more than the annual limit of 15,000 pounds of raw opium. As long as the excess was stored in a bonded warehouse, it was considered as not yet "landed" in Japan, and therefore did not have to clear
customs. Taking advantage of this loophole, Hoshi purchased large quantities of Turkish and Persian opium at bulk rates and then kept it in storage until an upturn in the sale price. 112

That arrangement was suddenly cut short in 1922, when Hoshi was shocked to receive an order from the Yokohama customs to remove all of the opium from his bonded warehouse immediately. Referred to the Home Ministry for an explanation, Hoshi learned that the British consul in Kobe had discovered a similar storage operation and complained to the Japanese government that the opium was being smuggled to China. In order to avoid international friction, the Home Ministry decided to clear out all such bonded warehouses. 113

Desperate to dispose of the opium, Hoshi arranged to sell off some of it in Vladivostok. The purchaser was the Yakuro Shōkai, a syndicate of Japanese carpetbaggers from Dairen which had purchased opium monopoly rights from the cash-strapped White regime of the Merkulov brothers in January 1922. 114 In order to cover the 250,000 yen paid to the Merkulovs, the Yakuro Shōkai had to procure and sell an estimated 65,000 pounds of opium; although some could be disposed of in local opium dens (the Merkulovs had lifted restrictions on consumption), the bulk clearly was earmarked for the traffic in China. 115
Hoshi sent off two shipments to Vladivostok, but was chagrined to discover that the second ship had been seized and impounded en route by the customs at Otaru because it lacked the proper clearance from the Home Ministry. Furious at what he considered to be the bullying tactics of bureaucrats (he claimed that he had received verbal clearance from Home Ministry officials and therefore had no documentation), Hoshi obtained the necessary permits after much wrangling with the ministries concerned; along the way, he had to endure the additional embarrassment of a summons to appear at the Tokyo public prosecutor's office for questioning. The ship finally was released and allowed to continue on to Vladivostok.

At the same time, Hoshi also began to transfer opium from Yokohama to a bonded warehouse in Chilung, Taiwan, where some of it was to be sold eventually to the Monopoly Bureau and the rest disposed of by sale to the Yakuro Shōkai. After learning of Hoshi's legal difficulties in connection with the Otaru case, however, the Bank of Taiwan refused to issue the funds to cover the purchase by the Monopoly Bureau. Prosecutors were later to charge that Hoshi then made arrangements to sell off the opium to Chinese traffickers in Shanghai, while a report from the British police in Shanghai suggested that at least a portion of the Chilung opium found its way to Vladivostok.
on board ships of the Moller Line, which was linked to the drug traffic.\textsuperscript{118}

Hoshi's luck at evading prosecution finally ran out due to political developments in Tokyo beyond his control. After the opposition party Kenseikai came to power in 1924 the new prime minister Katō Takaaki began to carry out wholesale changes in the personnel of the Taiwan Government-General; one by one, Hoshi's contacts in the colonial bureaucracy were replaced.\textsuperscript{119}

The new and unfriendly faces in Taihoku immediately cancelled Hoshi's crude morphine concession, and in May 1925 the narcotics maker found himself under arrest. He was bound over for trial at the Taihoku district court on charges of storing opium for the purposes of sale (to the Yakuro Shōkai and a Chinese syndicate in Shanghai), which was a violation of the Taiwan Opium Law. On 9 November 1925 he was convicted and fined over one million yen.\textsuperscript{120}

**The Colonial Connection: Korea**

**The Taishō Smuggling Scandal**

Although Hoshi Hajime's Association for the Promotion of Poppy Cultivation had discovered the potential for large-scale opium production in Korea, the only major Japanese manufacturer to take advantage of the opportunity
was Taishō Pharmaceutical. After the establishment of the government opium monopoly in 1919 Taishō obtained a concession from the government to purchase raw opium for its Keijō morphine factory.¹²¹

On 16 December 1925 Taishō purchased from the Kwantung Government five hundred pounds of confiscated contraband morphine, with the intention to ship it to Korea for processing. After receiving official permission on 25 December, Taishō finally transported the morphine to Korea on 11 February 1926 and stored it on the company's premises—so the authorities thought. However, on 25 March 1926 the Government-General Police Bureau was notified by the Kwantung authorities that Taishō officials had been arrested for smuggling morphine. When investigators examined the company's warehouse, they found only 20 pounds of morphine on hand. Magnesium had been substituted for the other 480 pounds.¹²²

The exposure of the company's misdeeds posed a dilemma for the Government-General. On one hand, the authorities showed an extreme reluctance to impose any sanctions on Korea's largest pharmaceutical manufacturer. On the other hand, the disclosure of the Hoshi case on Taiwan made it imperative to forestall a similar scandal, which might lead to embarrassing inquiries in Tokyo and at the League of Nations concerning the nature of the
relationship between Taishō and certain Government-General officials.\(^{123}\) After giving some thought to the possibility of revoking Taishō's concession, the Government-General decided to permit the company to continue operating on the grounds that the offense had taken place outside of Korea (also, by that time the Hoshi case had blown over). In return, the narcotics producer agreed to fire the offending employees and submit to stricter official supervision.\(^{124}\)

When Taishō employees were arrested in other smuggling incidents in 1926 and 1927, however, the authorities were forced to reconsider the pros and cons not only of Taishō's opium concession, but also the policy of permitting narcotics production by private concerns. After much hesitation (the issue was under official review for more than a year), the Government-General decided that after Taishō's concession expired in 1928 the Monopoly Bureau would take control over the manufacture of narcotics in Korea.\(^{125}\)

**Korean Emigrants and the Opium Traffic in Northern Manchuria**

As large numbers of Koreans emigrated to northern Manchuria, especially after Japan's annexation of their homeland in 1910, they began to play a significant role in the opium trade. Most commonly, they occupied the lowest
rungs of the ladder, as poppy farmers or the proprietors of opium dens.\textsuperscript{126}

Koreans emigrants became active in the opium trade in areas of northern Manchuria along the border between Russia and China. First attracted by the fertile soil of the region, Korean farmers were reported to have begun settling around Pogranichnaia and the counties (hsien) of Sanchak'ou and Tungning as early as the 1870s. The arrival of the Chinese Eastern Railway in the late 1890s brought even more Koreans to northern Manchuria, lured there by the prospect of employment as coolie labor. Many then stayed on as farmers after the railway was completed, and found, like their Chinese counterparts, the poppy farming was a lucrative occupation requiring relatively little effort.\textsuperscript{127}

By the beginning of the 1920s Korean poppy farmers in northern Manchuria were producing large amounts of opium. According to a report by the Japanese consulate in Harbin, in 1920 alone a total of 22,500 \textit{kin} (13,500 kilograms) of raw opium had been harvested by Korean farmers on a cultivation area of 1,225 \textit{chōbu} (1,215 hectares).\textsuperscript{128}

Farmers engaged in poppy cultivation often led a harrowing existence. The payment of protection money to police, bandits, the so-called "poppy suppression units"
of various warlord armies, or combinations thereof, was a fact of life during the growing season. Farmers were not infrequently caught in the middle of wars between bandits and army units over the control protection money. If the bandits discovered that a particular farmer had paid off the army, they would invariably kill the farmer for collaborating with the authorities. Conversely, a farmer thought to be siding with the bandits (i.e., paying off the bandits) ran the risk of losing his head to an army poppy suppression unit; it was said that among the heads collected by the army, those of many farmers were mixed in with the heads of genuine bandits. 129

City-dwelling Koreans were also involved in the opium trade. In Harbin, the hub of the trade in northern Manchuria, Korean traders played a major role in handling opium. A report by the Japanese consulate in 1922 stated that, out of approximately 30,000 kin (18,000 kilograms) of opium handled per month in Harbin during the peak trading season, Korean merchants handled roughly 4,000 kin (2,400 kilograms). In terms of volume, this put them on par with Russian traders, while Japanese handled 7,000 kin (4,200 kilograms) and Chinese handled 15,000 kin (9,000 kilograms). 130

More commonly, Koreans were associated with the day-to-day sale of opium to smokers, usually as the
propriety of opium dens. The quality of the dens varied greatly; some were large enough to accommodate up to fifty smokers and were luxuriously furnished, but most were little more than hovels consisting of rough wooden bunks on earthen or wood floors. As was the case with the poppy farmers, opium den operators were forced to pay protection money to police and gangsters, although decapitation was probably less of a problem for the average opium den owner.

In case of arrest by the Chinese authorities, Korean opium traffickers could rely on the protection afforded by their status as Japanese nationals. Extraterritoriality insured that they be would be turned over for trial in a Japanese consular court. Almost invariably an immediate release from custody followed, for the consular courts were widely considered to be "notoriously lenient in respect to drug trafficking." In the middle of the 1920s some sources were estimating that over half of the Koreans living in northern Manchuria were connected with the opium trade in one way or another, a prevalence that hardly helped project a positive image abroad. As one journalist noted in 1929, "The participation of Koreans in this trade does not reflect credit upon the present and supposedly modern
educated Koreans, who frequently appeal to world sympathy in connection with their independence aspirations." 134

Crime and Punishment: A Coda

Kikuchi Toraji, a self-confessed opium addict and drug trafficker in China for over twenty years, made the following observation: "... people connected with opium and morphine bootlegging don't maintain their prosperity for long. The main reason is that they constantly feel legal and moral pressure, and can't withstand the anguish and fear... When their illegal activities are exposed, they lose social prestige and directly or indirectly self-destruct." 135

Kikuchi, however, did not know Hoshi Hajime. Appealing his November 1925 conviction on opium trafficking charges, Hoshi was able to win an acquittal in 1926 thanks to the cleverness of his attorneys, who pointed out inconsistencies in the opium laws of Japan and Taiwan. 136 After being cleared in court, Hoshi set about polishing his tarnished image. Employing all of his skill in polemics acquired as a journalist, he published an account of the case in which he painted himself as an upright businessman persecuted by bureaucrats and rivals in business and politics. 137 Girded in self-righteous indignation, Hoshi was able to rebuild his bankrupted business quickly; by 1927 Hoshi Pharmaceutical was once again processing crude
morphine from Taiwan, though the concession was now shared with two other companies. 138

Meanwhile, Hoshi's rumored partner-in-crime Kaku Sagatarō managed to avoid prosecution altogether, and even received a "kick upstairs." In the fall of 1924 he was appointed to represent Japan at the International Opium Conferences in Geneva, where he touted Taiwan's record of success in drug control.
CHAPTER IV
JAPAN AND INTERNATIONAL DRUG CONTROL,
1909-1931

If Japan merely adopts a passive attitude toward
the attacks of various countries and becomes a focus of
international criticism concerning opium and narcotics,
our government will fall into a very difficult position.

-From a Japanese Foreign Ministry report, 1926

In 1909, thirteen of the world's major powers
gathered at Shanghai for the convening of the International
Opium Commission, an event that signalled the emergence
of opium and narcotics control as an issue of international
consequence. The significance of international drug control
was further confirmed in a series of subsequent conferences
held at The Hague (1911-1912), Geneva (1924-1925), and
Bangkok (1931), and at the annual meetings of the Opium
Advisory Committee (OAC), a League of Nations body
established to monitor the world's opium and narcotics
traffic.

As one of the major powers, Japan was a participant
in the international opium and narcotics control movement
from its inception at Shanghai, attending all of the major
conferences and sitting as a permanent member of the OAC.
However, that participation became increasingly problematic
for the Japanese government from the end of the First World War onward. Although confronted with mounting evidence that Japanese nationals were playing a major role in the illicit narcotics trade, especially in China, Tokyo was found to be wanting both the will to take decisive measures against the drug traffic and the ability to articulate an effective response to criticism from abroad. As a result, the 1920s witnessed a recurring pattern of embarrassing revelations, followed by pledges to take strong action against the drug traffic which subsequently came to nothing. The consistent failure to follow up on such pledges steadily eroded the confidence of the OAC, foreign press, and Western anti-opium groups in the sincerity of the Japanese government's commitment to international control.

The Origins of the International Opium and Narcotics Control Movement

The Shanghai International Opium Commission, 1909

The establishment of an international forum to discuss opium and narcotics control was first proposed in 1906 by Charles E. Brent, an American missionary who was serving as the Episcopal bishop of the Philippines. Having seen for himself the prevalence of opium abuse in Asia as a member of the Philippine Commission,^3^ Brent was moved to write President Theodore Roosevelt on 24
July 1906 urging that the United States take the lead in opium reform by promoting "some movement that would gather in its embrace representatives from all countries where the traffic in and use of opium is a matter of moment." 4

Specifically, Brent suggested that the United States convoke a conference to investigate the opium problem in the Far East and invite all of the major powers concerned, including Britain, France, the Netherlands, China, and Japan. 5 Although he may have seen it more as an opportunity to assert American leadership in the arena of international affairs than as a moral crusade, Roosevelt nevertheless took up Brent's plan, and in the autumn of 1906, the Department of State began to sound out the other powers.

The overtures from Washington found the Japanese government without any strong convictions regarding international opium and narcotics control. While the possession of Taiwan and the newly-acquired Kwantung Leased Territory ensured that Tokyo was not entirely disinterested in the question of drug control, it was not perceived as an issue of immediate national interest per se: unlike Britain, Japan did not yet have a large economic stake in the opium trade, drug abuse was virtually nonexistent at home (unlike China), and unlike the United States,
there was no missionary lobby pressing the government
or stirring Japanese public opinion with emotional appeals
to crusade against the moral evil of opium. 6

Nevertheless, the preservation of the Anglo-Japanese
alliance, a cornerstone of Japan's foreign policy that
had just proved its worth during the war with Russia in
1904-1905, was most definitely perceived as a matter of
immediate significance to the nation's interests.
Consequently, before a reply to the American proposal
was even considered, the Japanese minister in London,
Komura Jutaro, was instructed to consult with Whitehall
in order to insure a convergence of views. 7 On 8 November
1906, Komura reported back that British Foreign Secretary
Sir Edward Grey had confided to him that His Majesty's
government had no objection to an international gathering
along the lines proposed by Washington, but only on the
condition that agenda include the question of opium
production in China; 8 London was not prepared to discuss
limitations on the export of Indian opium without a
guarantee that Chinese domestic production would also
be reduced. 9 Two weeks later, the Japanese government
replied to the State Department that it agreed to the
conference in principle as long as the situation in China
was addressed. 10
The American initiative finally came to fruition with the convening of the International Opium Commission at Shanghai in February 1909. Thirteen nations were represented: the United States, Britain, Japan, China, France, the Netherlands, Germany, Russia, Austria-Hungary, Italy, Persia, Portugal, and Siam. The delegates, however, were not authorized to sign a treaty, and the deliberations at Shanghai merely resulted in a series of unanimous, non-binding resolutions recognizing the necessity of restricting the production and trade of opium and narcotics not intended for medicinal use, promising to expand diplomatic contacts regarding opium control, and pledging to assist China in its efforts to eradicate the opium problem.\textsuperscript{11}

For their part, the Japanese delegates at Shanghai were, on the whole, successful in upholding the national honor.\textsuperscript{12} In verbal and written reports to the Commission, they extolled the progress of the gradual suppression policy on Taiwan, while at the same time managing to sidestep potentially embarrassing questions about the role of opium in the island colony's finances.\textsuperscript{13} Another potential cause for embarrassment came up during private talks with the American delegate Hamilton Wright, who expressed concern over reports of an increase in the re-export of morphine from Japan to China; however, the
Japanese delegation was able to avoid having the matter brought to the attention of the full Commission with a promise to investigate it further. 14

Yet, the essentially defensive nature of Japan's participation resulted in little positive contribution to the proceedings at Shanghai, which were dominated by the emergence of differences between the United States and Britain over the pace and scope of international reform. Those differences were to become manifest as the opium and narcotics control movement advanced a step further with the conclusion of an international convention at The Hague in 1912. Content to remain in the wings as the Anglo-American rivalry took center stage, Japan played but a limited role in the treaty negotiations at The Hague.

The Hague Convention of 1912

The United States wasted little time in following up the preliminaries at Shanghai. On 13 October 1909, Foreign Minister Komura received a communication from the U.S. minister in Tokyo, Thomas J. O'Brien, inviting Japan to attend an international conference at The Hague for the purpose of concluding an opium and narcotics control convention. 15 Enclosed with O'Brien's letter was a memorandum from acting Secretary of State Alvey A. Adee laying out fourteen specific proposals suggested as a basis for the treaty negotiations, the most important
of which was a plan to create an international body to enforce the provisions of the anticipated treaty.16

Eventually, Japan agreed to take part in the proposed conference at The Hague, as did all of the other powers that had attended the Shanghai gathering (except for Austria-Hungary). The conference was held from December 1911 to January 1912, and resulted in the signing of a broad convention addressing four areas: raw opium, prepared opium, narcotics, and the situation in China. The contracting powers were required to take steps to control the manufacture and sale of opium, limit the production of narcotics to meet only "medical and legitimate purposes," and take steps to assist the Chinese government's prohibition efforts by preventing the smuggling of drugs into China and by controlling opium and narcotics use in concessions, settlements, and leased territories.17

Despite its ambitious scope, however, The Hague Convention of 1912 proved to be less than satisfactory as a practical instrument of international control. Not only was the American proposal to establish an administrative organization rejected, but the powers were unable to reach any agreement at all on how to enforce the convention. As a result, each nation was left to its own devices in carrying out control measures, leaving
"room for differences of interpretation on almost every obligation."\textsuperscript{18}

In retrospect, the attempts of the United States at The Hague to force the pace of reform toward strict and comprehensive international control foundered largely on account of the failure to reach a mutual understanding with Britain. Even before the conference began, London rejected outright several of the American proposals, most importantly the plan to establish an international administrative organization.\textsuperscript{19} Nor did matters improve during the conference--the British delegates criticized the leadership of the U.S. delegation for introducing "a number of useless and irritating proposals," while the Americans suspected that Britain's disinclination to commit itself to meaningful reform was linked to the profits of the Indian opium trade.\textsuperscript{20} The suspicion and peevishness exhibited at The Hague would continue to characterize Anglo-American relations on the opium question well into the 1920s, culminating in the withdrawal of the American delegation from the international conferences at Geneva in 1924-1925.

Without as yet perceiving a significant stake, either practical or philosophical, in the opium question, Japan contributed but little to The Hague Convention of 1912.\textsuperscript{21} Instructions issued to the delegates\textsuperscript{22} on the eve of the
conference reveal that, although Tokyo's basic orientation on the issue of international control remained closer to London than Washington, the overriding concern was to follow along with general tenor of the conference, whatever direction it might take. On balance, therefore, Tokyo was probably satisfied when Britain and the other powers rejected inclusion of some of the more far-reaching American proposals in the final draft of the treaty.

The insignificance of Japan's role at The Hague did not escape the notice of the British delegates, who also noted in their final report the failure of the Japanese to support a British proposal to prohibit the production, sale, and distribution of morphine and cocaine. Although the two powers remained fundamentally in agreement on the question of opium reform in their Asian territorial possessions (i.e., both favored gradual suppression measures and monopolies), Anglo-Japanese relations were destined to become increasingly distant owing to immediate differences arising over the opium and narcotics trade. The conferences at Geneva in 1924-1925 were to witness the definite estrangement of Japan and Britain on this issue.
A Resolution Unkept: The Abolition of Tsingtao and Kwantung Opium Monopolies

Thanks to the adoption of an extremely low-key posture, Tokyo emerged from Shanghai and The Hague having achieved its modest goals of occupying a seat at the conference table without committing itself to any position that was likely to stand out or cause controversy. However, as Japanese nationals came to play an increasingly active role in the drug traffic in China during World War One, Tokyo found its record on opium and narcotics control subjected to intense and often critical scrutiny, especially by Western observers.

The activities of Japanese traffickers in China were first exposed by the Western press in China. Leading the way was the North China Daily News, which published an article in the 3 September 1915 edition blaming the rapid spread of morphine abuse in Manchuria on Japanese peddlers. In the Japanese railway settlements, opium and morphine were being bought and sold openly, without any interference from the police; for example, the main street in the Japanese settlement of Changch'un (the northern terminus of the South Manchurian Railway) was lined with drug shops and bars. Traffickers outside of the railway settlements could operate with almost equal impunity,
thanks to the laxity of Japanese consulates in punishing drug offenses.\textsuperscript{25}

An article appearing in the \textit{North China Daily News} of 14 September 1915 was even more condemnatory. Calling the morphine trade "the most immediately lucrative branch of Japanese commerce" in China and well on its way to surpassing "other Japanese industries" like white slavery, the writer\textsuperscript{26} claimed that over six tons of morphine had been re-exported from Japan to China in 1913 alone. Moreover, the article asserted that Japanese traffickers, acting "with the full approval of the Japanese Government," were planning to expand operations into the populous provinces of Shantung and Fukien.\textsuperscript{27}

Although intended primarily to draw attention to Japan's responsibility for the growing narcotics problem in China, the \textit{North China Daily News} articles had a more immediate impact in Britain.\textsuperscript{28} An inquiry into trade returns prompted by allegations in the articles revealed the alarming fact that British firms were exporting huge quantities of narcotics to Japan, most of which obviously were winding up in the illicit trade in China: from 1914 to 1916, licensed exports of morphine and morphine salts from Britain to Japan came to a staggering total of over 99,000 pounds.\textsuperscript{29} Under pressure from anti-opium agitators, London reluctantly informed Tokyo in July 1917 that
henceforth, British producers would be prohibited from exporting to Japan and the Kwantung Territory unless the proper Japanese authorities certified that the narcotics were intended for medicinal use and local consumption.  

Despite the rebuke implicit in the action of the British government, Tokyo did nothing to improve its record on drug control until shortly after the formation of a cabinet in September 1918 by Hara Takashi, the first elected member of the majority party in the Lower House of the Diet to become prime minister. On 2 January 1919 Hara received a visit from Count Soejima Michimasa, a member of the Upper House of the Diet who had just returned from an inspection tour of China. Soejima reported that Japanese drug smugglers were making an extremely bad impression in China (especially among Westerners), emphasizing the point by repeating to Hara some of the accusations being levelled in the press. According to his own account of the meeting, Soejima then threatened to bring the matter up in the Diet unless Hara promised to restore the nation's tarnished image by taking action to control the narcotics trade.

Soejima's visit made a deep impression on Hara, who was especially shocked by allegations of Japanese government collusion. During a cabinet meeting on 14 January 1919, Hara announced his intention to completely
eliminate the drug traffic from Japan to China by abolishing the opium monopolies in the Kwantung Territory and Tsingtao. Despite the knowledge that such a move would result in significant loss of revenue, Hara was able to persuade the cabinet to adopt a resolution ordering the abolition of the monopolies.\textsuperscript{34}

The subsequent cabinet resolution, dated 18 January 1919, admitted that the involvement of Japanese nationals in opium and morphine smuggling was on the rise, resulting in mounting criticism and mistrust of Japan in both China and the West (the appearance of critical newspaper articles and the British narcotics restrictions were specifically cited). The resolution went on to aver that the illicit traffic could not be stopped as long as the present monopolies continued to operate in Kwantung, Tsingtao, and Taiwan; therefore, in order to demonstrate Japan's sincerity in assisting the opium prohibition campaign in China (and to remove a source of criticism in the West), the cabinet had decided to abolish the Kwantung and Tsingtao monopolies immediately, and to eliminate Taiwan's monopoly as soon as possible.\textsuperscript{35}

The seemingly dramatic shift in the Japanese government's attitude toward the drug traffic mirrored changes taking place on the world scene. Following the end of World War One in 1918, international cooperation
on opium and narcotics control not only revived, but showed signs of progressing beyond the first tentative steps taken at Shanghai and The Hague. Thanks to the efforts of the British delegation, a provision was inserted into the Treaty of Versailles stipulating that signatories were also bound to ratify The Hague Convention of 1912. Moreover, the first session of the Assembly of the League of Nations produced a resolution calling for the creation of the Opium Advisory Committee (OAC), which was to meet regularly to investigate the international situation and advise the League Council on drug control; the first session of the OAC was held in May 1921.

The promise of reform embodied by the Hara cabinet's resolution was not, however, followed up with action. The colonial governments and military authorities in Tsingtao, for whom the opium monopolies were an important source of revenue, showed a distinct lack of enthusiasm in carrying out the directive from Tokyo. Speaking for the former, Colonization Bureau director Koga Renzo (whose personal pecuniary interest in the Kwantung opium trade was revealed in 1921—see pages 92-95 above) expressed no objection to the immediate elimination of the Kwantung monopoly "in theory," but argued that the experience of Taiwan showed gradual suppression to be a more practical and humane approach. Similarly, while agreeing in principle
to doing away with the monopoly on Taiwan, Koga doubted that it could be accomplished in under five years, given that there were still 60,000 registered addicts. For their part, officials in Tsingtao maintained that they were already exercising strict control over opium, fully in accordance with existing international agreements.

Due to bureaucratic procrastination, over a year passed with no progress on the elimination of the opium monopolies. In response, the Hara government made an attempt to force the issue by adopting a cabinet resolution on 7 September 1920 ordering the abolition of the Kwantung and Tsingtao monopolies by the end of 1920 (the Taiwan monopoly was not mentioned).

The attempt ended in failure. When junior-level officials gathered on 22 September 1920, ostensibly to discuss implementing the new resolution, passive resistance gave way to open opposition, and representatives from the Kwantung and Tsingtao civil governments, War Ministry, and Colonization Bureau successfully united in pressing the cabinet to reconsider the resolution. On 12 November 1920 a compromise of sorts was worked out, whereby the Kwantung and Tsingtao governments agreed to phase out the opium monopolies over a period of five years through gradual suppression. The return of the Shantung concession to China in 1922 put an end to the Tsingtao monopoly.
monopoly, but the Kwantung opium monopoly was still in operation five years later, albeit in a slightly altered form.\textsuperscript{43}

Although the abolition measure had been undertaken to restore foreign confidence in Japan's commitment to international opium and narcotics control, the failure of the Japanese government to redeem its pledge produced the opposite effect. Compounding the problem were Tokyo's dilatory attitude and ineptitude in the increasingly important field of public relations, which lent its actions an air of duplicity that further hardened the suspicions of critics abroad.

One such critic was the International Anti-Opium Association, an influential reform organization composed mainly of missionaries and other foreign residents in China. On 5 October 1920 the Japanese legation in Peking confidently notified the association of Tokyo's intention to abolish the Kwantung and Tsingtao monopolies at the end of 1920, only to send a second letter just nine days later announcing that the monopolies were to be eliminated at the end of the fiscal, rather than calendar, year (i.e., 31 March 1921).\textsuperscript{44} The deadline passed with no comment from the legation, which finally wrote to the association on 19 May 1922 that, because "it would be extremely inhuman to so abruptly put a stop to the supply of opium" to the
thousands of addicts in Kwantung and Tsingtao, the Japanese government had decided to "slightly alter its declared policy" to that of gradual suppression over five years. In a reply pregnant with irony, the secretary of the International Anti-Opium Association asked the legation for permission to publish the letter, "so that the public may know the efforts which Japan is making to put an end to [this] baneful habit." 46

The Chinese Opium Monopoly

At the same time the Japanese government was giving thought to abolishing the colonial opium monopolies, the idea of establishing a government monopoly in China was being debated sporadically in Peking. Despite the best efforts of the Japanese minister in Peking to avoid being drawn into the monopoly debate, his position was very nearly undermined by the actions of a Japanese adventurer.

The monopoly question arose within the context of the recrudescence of the opium problem in China during the early 1920s. By that time, the opium suppression effort begun by the Ch'ing dynasty in 1906 had, after initial success, faltered in the wake of political instability. As the authority of the central government began to weaken in the early years of the republic, power fell into the hands of regional militarists, who increasingly exploited the opium trade to keep their war chests filled.
China's warlords employed a variety of schemes to generate revenue from opium, most of which tended to promote production: direct participation in trafficking and sales, likin taxes, semi-legalization of opium smoking and poppy cultivation (by levying "fines" on smokers and farmers), and exacting such heavy land taxes that farmers had no choice but to grow poppies. In particular, the provinces of Szechwan, Yunnan, and Kweichow, traditional centers of poppy cultivation in China, re-emerged as large-scale producers, and various estimates put China's annual production in the 1920s at somewhere between 5,000 and 15,000 tons: the latter figure, if accurate, meant that China was responsible for more than 90 percent of the world's annual opium output.47

By the early 1920s, China's opium problem was "as bad as it had ever been." Not only was production rising, but also consumption, as the opium pipe (or narcotics injection for the poorer classes) provided millions of Chinese with temporary relief from a variety of physical and spiritual ills. Nevertheless, the central government in Beijing, with the support of an ill-assorted group composed of foreign missionaries, the International Anti-Opium Association, the traffickers, and militarists, adhered to an official policy of prohibition.48
The patent ineffectiveness of the existing policy prompted some foreign observers and officials in the Chinese government to broach the idea of creating a Taiwan-style government monopoly and gradual suppression system in China. The most influential of the monopoly advocates was Sir Francis Aglen, the inspector general of the Chinese Maritime Customs, who argued that such a system would help solve two problems by providing the revenue to carry out a meaningful opium suppression plan and to defray the cost of demobilizing up to one million Chinese soldiers. After Aglen's speculations touched off a brief controversy among anti-opium activists and the foreign press, the issue faded from sight.

The monopoly question was resurrected in April 1923, when the Chinese press reported that the authorities in Peking were seriously considering the legalization of opium use under the auspices of a government monopoly. The catalyst for this development was identified as a certain Maruo Chiyotaro, a self-described purveyor of "military supplies" based in Dairen.

According to the newspaper accounts, Maruo presented the Chinese finance minister with a proposal for an opium monopoly along the lines of the Japanese system on Taiwan, including the creation of a monopoly bureau to administer production and sale, addict registration, and licensed
smoking. Maruo claimed that a monopoly could net the government in Peking up to 400 million dollars (Mexican) annually, and as a further inducement to adopt his plan, he offered the Chinese authorities a loan of 10 million dollars up front (with the promise of more to come), to be secured with future monopoly profits. 51

The press in Peking, especially the foreign press, had a field day of speculation thanks to the sudden appearance of the mysterious Maruo. The Far Eastern Times of 17 April, for example, conjectured that his financial backing was coming from either the Nishihara group, or from the Ezra family. 52 On the other hand, the Peking Daily News of 19 April was convinced that the entire scheme was an attempt to discredit the Chinese government. Maruo himself courted attention by holding a press conference on 18 April at, of all places, the headquarters of the International Anti-Opium Association in Peking; during the press conference, he claimed that the 10 million dollars for the loan were being provided by a consortium from four nations, though he declined to provide further details. 53

To Obata Yūkichi, Maruo's unexpected intrusion onto the scene could not have been more unwelcome. As the Japanese minister in Peking, Obata was well aware that the narcotics traffic, in addition to poisoning the Chinese
people, was also poisoning Japan's image in China. Not only were the foreign press and International Anti-Opium Association critical of Tokyo's failure to control the traffic, but in the charged atmosphere of burgeoning nationalism among Chinese intellectuals (manifested during the May Fourth Movement), the Japanese drug trafficker could well become a potent symbol of foreign imperialism.

Obata, who had refrained from making any official statement during the earlier controversy over Aglen's remarks, immediately issued a statement to the press disavowing any Japanese government involvement, and expressing strong disapproval of Maruo's proposal. He then launched an investigation into Maruo's background which revealed that the "businessman" had spent most of the past decade in Dairen, Tientsin, and Shanghai swindling various warlords by selling them useless or obsolete guns. Nor was the monopoly scheme Maruo's first attempt to break into the opium business. Several months earlier, the Japanese legation had denied his request for approval of opium import certificates issued, he claimed, by the French police and Russian authorities in Vladivostok.

Determined to put a stop to the monopoly, Obata summoned Maruo to the legation for a dressing-down. During the course of their stormy meeting, Maruo told Obata that two million of the ten million dollars offered to the
Chinese authorities were put up by a group of Japanese chemical and drug manufacturers, including Hoshi Hajime and Taishō Pharmaceutical. Obata was appalled—the mere hint of Japanese drug industry involvement in the monopoly deal, whether true or not, would cause the Japanese government serious embarrassment if revealed to the press. 56

Although Obata was prepared to take any action necessary to prevent the realization of the monopoly, including deporting Maruo, he was saved from further trouble when the Peking authorities, anxious to avoid offending nationalist sentiments in the wake of the May Fourth Movement, announced the rejection of Maruo's proposal. The sudden collapse of the monopoly plan was followed by the equally sudden disappearance of Maruo Chiyotarō from Peking. Beyond Maruo's dubious claim, there is no other direct evidence that he was being backed by Hoshi, Taishō, and the other Japanese pharmaceutical companies. Yet, Hoshi Hajime later admitted to Foreign Ministry officials that he welcomed the establishment of a monopoly in China because it would open up a lucrative market for exports of Japanese opium and narcotics. 57

Japan and the Opium Advisory Committee, 1921-1924

The recrudescence of the opium problem in China was destined to loom large in the deliberations of the
Opium Advisory Committee (OAC) of the League of Nations from the time of the OAC's inauguration in 1921. Therefore, it was within the broader context of a preoccupation with the situation in China that the OAC turned its attention increasingly on Japan and the narcotics traffic. Thrust into the glare of intense international scrutiny on a regular basis, the Japanese OAC representatives were often hard-pressed to explain the inability of their government to control the smuggling of narcotics to China.

The morphine question first came up for discussion at the second session of the OAC in April 1922. When asked to explain the steep rise in the import of morphine over the past decade (the total of which was sufficient for an estimated 768 million injections), the Japanese OAC representative Ariyoshi Akira was forced to admit that his government had neglected to exercise any control over the import and export of morphine and other drugs until 1921, when the first national narcotics control regulations were issued. Ariyoshi also admitted the existence of drug smuggling from Japan to China, and pledged that Tokyo would do "its utmost to suppress smuggling." On the other hand, he declined to estimate the volume of the illicit traffic; nor did he provide the OAC with crucial figures on Japan's annual consumption or the amount of narcotics currently being held in stock.
Ariyoshi's performance, which managed to combine obfuscation and acknowledgement of his government's shortcomings, did little to change the opinions of the other OAC delegates, who were already well aware of Tokyo's spotty record on drug control. In its report to the Council of the League, the OAC concluded the following on the situation in Japan: "While manufactures and imports have both increased to a great extent, the export of ... drugs is negligible. Either, then, there is an enormous increase in the home consumption ... or else a very large illicit export traffic had sprung up, which, in view of the reports ... from China, would seem to be the true explanation."60

Released from the constraints of the Anglo-Japanese Alliance, which was terminated in 1921, and reflecting London's increasing wariness over the expansion of Japan's political and economic influence in China, the British and Dominion delegates emerged as Tokyo's most persistent critics during the early OAC sessions. During the fifth session in 1923 the delegate from the Indian government reminded the committee that, although the Japanese government admitted to huge morphine imports in the past, it had not as yet disclosed the present whereabouts of the morphine. As Japanese customs returns showed virtually no exports of morphine, where, then, were all of the drugs?
Seconding the remarks of the Indian delegate, OAC assessor and former British minister to China Sir John Jordan bluntly observed: "It was useless to maintain that only three kilograms had been exported from [Japan] in 1921. Everyone knew that exports to China were enormous. All Northern China was deluged with morphia." 61

British OAC members also raised serious questions about the disposal of opium imported by the Taiwan Monopoly Bureau. The British Foreign Office had long been suspicious that Taiwan was a major source of illicit narcotics in China via the Hoshi crude morphine concession, and the OAC provided a useful public forum for airing those suspicions. 62 Calling Taiwan one of the "black spots in the East regarding the traffic in drugs," Sir John Jordan wondered aloud why imports of raw opium to the island colony were increasing annually (over 100,000 pounds in 1921 alone), while official figures showed that the number of registered addicts was on the decline. Jordan then answered his own question by bluntly asserting that morphine processed on Taiwan was being "spread all over China." 63

The Geneva International Opium Conferences, 1924-1925

While the discovery of large-scale drug trafficking from Japan to China was a serious matter in and of itself, the early sessions of the OAC revealed that it was only
part of a world-wide trend toward increasing production and consumption of opium and narcotics. At the same time, the unchecked growth of the illicit drug traffic illustrated the shortcomings of The Hague Convention of 1912, which proved so vague and open to differing interpretations that it was virtually unenforceable. Consequently, in 1924-1925, the League of Nations sponsored a pair of conferences to draft an improved international opium and narcotics control convention.

Eight nations, including Japan, participated in the First Opium Conference, which was devoted to the control of opium smoking in Asia. Deliberations from November 1924 to February 1925 produced an agreement calling on the colonial powers in Asia to replace existing "opium farms" with government monopolies on the import and distribution of opium, and to adopt monopoly control over the production of smoking paste "as soon as circumstances permit." The second conference, comprised of delegates from thirty-six nations, addressed the issue of narcotics control. The resulting convention, signed in February 1925, was notable for the establishment of an international opium and narcotics supervisory body, the Permanent Central Board, and for instituting a system requiring governments to furnish certificates for drug imports and exports.
Although the United States was merely an observer at the first Geneva conference, the American delegation objected nevertheless to the agreement reached on the grounds that it did not set a specific date for the final prohibition of opium smoking in Asia. Led by Britain, the other powers joined in rejecting an American proposal to impose a ten-year deadline for the prohibition of opium smoking, and instead came to a decision that, "at the proper time," the League should form a commission to determine when opium-producing nations were exercising sufficient control over output. Once production was deemed to be under control, a fifteen-year deadline for prohibition was then to be set. Unsatisfied with the prospect of an indefinite prolongation of opium monopolies in Asia, the American delegation withdrew in protest from the second Geneva conference on 7 February. The United States was immediately followed out the door by China, which protested the conference's inattention to the control of smoking paste.

The dramatic departure of the United States overshadowed other developments at Geneva, including the noticeable chilling of Anglo-Japanese relations. Unlike the Anglo-American disagreement, which was essentially a clash of philosophies (i.e., gradual suppression versus prohibition as the better method of opium control in Asia),
the main point of contention between Britain and Japan was the practical issue of restrictions on opium and narcotics imports, exports, and trans-shipments. Britain, concerned that it was playing an indirect role in narcotics smuggling to China by selling Indian opium to Taiwan and Kwantung and by permitting the trans-shipment of Persian opium to the two monopolies via Hong Kong and Singapore, sought to impose greater degree of control over the drug's movement. Japan, on the other hand, was dependent on Indian and Persian opium to supply the Taiwan and Kwantung monopolies, and therefore perceived the attempt to impose controls on imports and trans-shipments as an economic threat.

The origins of the Anglo-Japanese discord manifested at Geneva can be traced back to 1917, when the British government began to require that orders for narcotics exports to Japan be accompanied by certification from the Japanese authorities guaranteeing local consumption and medicinal use. In May 1920 London applied the same condition to exports of raw opium, but the value of such guarantees was called into doubt by local consular reports revealing, at the very least, a lax official attitude toward opium and narcotics control in the Japanese territorial possessions. As a result, His Majesty's government began to examine Japanese export orders (in
particular those from Taiwan and Kwantung) with special care, and sometimes refused to issue export permits even for orders that had been duly certified by the Japanese authorities. 72

The Japanese government, annoyed that the integrity of its officials was being called into question, protested that London had no right to deny permission for exports (or for transshipments via the Hong Kong and Singapore) of opium certified by the proper Japanese authorities in conformity with League of Nations guidelines. However, the protest was bluntly rejected by the British Foreign Office, which asserted that consent for export did not depend on the League of Nations system or the fact that the Japanese authorities had approved the transaction, but whether or not His Majesty's government was convinced that the drugs were to be put to legitimate use. 73

At Geneva, Tokyo attempted to circumvent British intransigence by introducing a proposal for the free trade of opium and narcotics, provided that competent officials of the importing nations furnished proper certification. 74 When the British delegates rejected the proposal, pointing to the pattern of repeated abuses on Taiwan and in the Kwantung Territory, the Japanese representatives responded heatedly by accusing their British counterparts of discrimination and slandering Japan's good name in front
of the international community. Eventually, the two sides worked out a compromise that left neither satisfied: Britain agreed to accept import certificates issued by the proper Japanese authorities (including the Taiwan and Kwantung governments), but retained the right to deny permission for transshipment when port authorities were suspicious of the certification of a particular consignment.

The Legacy of Geneva: 1925-1931

The Establishment of the Opium Committee

On the whole, Tokyo could look back with satisfaction on the results of the Geneva conferences. The Japanese delegates took advantage of the intensive international press coverage of the conferences to publicize the achievements of the gradual suppression system on Taiwan, which were further acknowledged, Tokyo believed, in the endorsement of government monopolies at the first conference. Moreover, the dispute with Britain ironically worked to Tokyo's advantage, at least in the short term. Thanks to the British delegation's often harsh criticism of the failure of the Chinese government to control its opium problem (like Japan, China was also a frequent butt of the OAC members from Britain and the Dominions), the Japanese representatives were able to draw closer to their
Chinese colleagues out of a mutual sense of antagonism toward London. Similarly, Anglo-American tensions also served to bring Japan and the United States closer together, despite the fact that the two powers shared virtually no common views on opium and narcotics control issues.

Foreign Minister Shidehara Kijūro, an advocate of cooperation with the Western powers and the peaceful expansion of Japanese economic interests in China, was determined to build upon the momentum of the Geneva conferences and restore international confidence in Japan's commitment to controlling the drug traffic. Convinced of the necessity for more coordination in the nation's opium policy, Shidehara approached Prime Minister Wakatsuki Reijirō in February 1926 with a plan for the establishment of an intragovernmental committee to investigate and discuss matters concerning opium and narcotics. The plan was approved by the cabinet on 8 March, and the first session of the Opium Committee (Ahen iinkai), chaired by Shidehara, was held on 7 April 1926.

The creation of the Opium Committee was the Japanese government's first effort at fundamental reform since the abortive attempt to abolish the colonial monopolies in 1919, and like its predecessor, foundered on conflicting bureaucratic interests. As an essentially deliberative
body, the Opium Committee lacked an official mandate to make decisions on significant drug control issues, which remained largely within the purview of individual ministries and the colonial governments. Consequently, the deliberations of the committee, far from providing a greater sense of centralization to the nation's opium and narcotics policy, merely tended to highlight the divisions within the Japanese government that were rendering it unable to control the drug traffic.

The Opium Committee failed to improve the Japanese government's performance in opium and narcotics control not only in terms of substance, but also style. In his address to the first session of the committee, Shidehara stressed the urgency of dispelling the world's distrust of Japan's intentions, and implicit in his message was the necessity of improving upon the perennially miserable performance of the Japanese representatives at the Opium Advisory Committee meetings in Geneva. Therefore, one of the most important tasks delegated to the Opium Committee was to prepare for the annual OAC sessions, chiefly by compiling and coordinating the information to be included in Japan's annual report to the League on opium and narcotics, and by discussing strategy for the presentation of Japan's case before the OAC.
In fact, the Japanese government's annual reports showed little improvement after the creation of the Opium Committee. British and Dominion OAC delegates continued to display a particular adroitness in exposing misleading facts, inconsistencies, and obfuscations in the Japanese reports. At the same time, Tokyo remained unable to provide its OAC representatives with either the information necessary to respond satisfactorily to the inquiries of other members or a strategy to counter criticism. As a result, by the time of the fifth session of the Opium Committee in January 1927, Prime (and Foreign) Minister Tanaka Giichi lamented that "the position of our representatives on the OAC is becoming very difficult."

Geneva Follow-Ups: The Narcotics Limitation Convention and the Bangkok Conference

Although members of the Opium Committee expressed the feeling that Japan was being singled out for criticism at the OAC, the deliberations of the latter indicated that the Japanese government was not alone in its failure to control the narcotics smuggling. Despite the existence of The Hague and Geneva Conventions, the drug traffic continued to flourish, leading the League of Nations to conclude that even stronger international control measures were required. By way of a follow-up to the Geneva
Convention, two further opium and narcotics control conventions were signed in 1931.

The first convention, known as the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs, was signed in July 1931 after long and complex negotiations. According to the original draft of the convention, the production of narcotics for export was to be limited to nations that were already manufacturing and exporting. Quotas for production would then be allotted among the exporting nations by a central supervisory body.

The Japanese government, finding its economic interests threatened by the draft convention, responded with a cogency and vigor missing from its performance at the meetings of the OAC. Because Japan was not classified as an "exporting nation" for purposes of the convention (like France, Japan was considered a producer for self-consumption, not export), Tokyo was concerned that Japanese pharmaceutical makers would be forever shut out from the opportunity to enter the export market (i.e., the legitimate export market).

During the treaty negotiations, the Japanese delegates argued forcefully that the quota system was impracticable and also violated the principles of free trade and equal business opportunity by limiting the number
of nations permitted to export narcotics. In its place, they proposed a system of limitation by requiring nations to submit, a year in advance, estimates of narcotics requirements. Production, imports, and exports would then be based on the annual estimates, which were to be legally binding. The other powers found the Japanese proposal reasonable, and it was inserted into the convention.

In November 1931, Japan and seven other powers gathered at Bangkok to discuss how to strengthen control over opium smoking in Asia. However, because China, the largest producer and consumer of opium in Asia, refused to attend, the conference at Bangkok achieved little progress. The main provisions of the resulting convention merely tightened the Geneva Convention by abolishing commission payments to opium retailers and forbidding opium smoking by persons under 21.

By the time of the Bangkok meeting, the Manchurian Incident had already erupted, and within a year, the Japanese-sponsored Manchukuo regime was to create an opium monopoly that foreign observers came to regard as the most significant threat to drug control in Asia.
CHAPTER V
THE MANCHUKUO OPIUM MONOPOLY, 1932-1938

In Manchuria, the most political, economic, and bizarre product, from the first to the last, is opium.

-Reader on subsidiary businesses and resources of Manchuria and Mongolia, 1934

In November 1932 the Japanese-sponsored Manchukuo regime established a government opium monopoly, a development greeted abroad with considerable alarm. That sense of alarm seemed justified by the first press and consular reports from Manchukuo, indicating that the opium and narcotics problem was actually becoming worse under the new regime; moreover, the monopoly was, in addition to buying up the huge domestic output, importing raw opium from Persia and Korea. Extrapolating from the reports of increasing drug abuse and production, most outside observers came to the conclusion that the authorities were following a policy of promoting consumption in Manchukuo in order to generate revenue.

The situation in Manchukuo also aroused intense concern among the membership of the Opium Advisory Committee of the League of Nations. As circumstantial evidence accumulated with every OAC session, the majority
of the committee members were eventually persuaded that the purpose of the monopoly was to encourage, rather than control, drug abuse. In particular, the American OAC representative emerged as the leading critic of Tokyo's record in China, denouncing the Manchukuo monopoly not only for poisoning the local population, but also for flooding Europe and the United States with illicit drugs.

However, a re-examination of the history of the opium and narcotics problem in Manchuria suggests that the Manchukuo opium monopoly operated within an environment more complex than outside observers imagined.

The Opium Trade in Manchuria Before 1932

The Ch'ing Period: Introduction and Suppression

Although opium smoking was introduced to Manchuria as early as the reign of the Kanghsi Emperor (1662-1723), it did not become prevalent until the middle of the nineteenth century, when the Ch'ing dynasty relaxed its traditional ban on Han Chinese immigration to the Manchu homeland. The settlers who migrated to the northeast (mostly from impoverished Shantung Province) brought with them a taste for opium smoking and rapidly spread the habit throughout the region. H.E.M. James, a Briton who travelled extensively in Manchuria in 1886, noted the
widespread use of opium by a population ignorant about its poisonous effects.³

In addition to spreading the opium smoking habit to Manchuria, the Chinese settlers also introduced poppy cultivation to the region around 1860.⁴ Initially, most of the opium was produced for local consumption, but it soon began to find its way to lucrative markets in the south, especially Chihli Province, where smokers found the Manchurian product a satisfying, low-cost substitute for expensive imports from India.⁵ The rise in demand not only induced local farmers to take up poppy cultivation, but lured even more settlers to Manchuria with the promise of quick and easy profits from opium production. Playing a role similar to that of gold in the settlement of California, opium was "... largely responsible for the founding of many communities and the opening up of many hundreds of square miles of remote areas of Manchuria."⁶

By the end of the nineteenth century poppy fields were in evidence all across Manchuria, and opium had become the third leading agricultural product in the northeast, surpassed only by the staples sorghum and soybeans.⁷ In many areas where cash was in short supply, opium was employed as a medium of exchange. Seasonal laborers from Shantung and Chihli even came to prefer receiving their
wages in opium; it was less bulky than cash, and actually appreciated in value as it was carried southward, unlike the dubious Ch'ing currency. 8

The financial significance of the opium boom was not lost on Ch'ing officials. Opium taxes were first levied in Manchuria in 1885, and became progressively higher to offset the budgetary strains caused by a constant succession of wars, rebellions, and other calamities. 9 Indeed, during periods of especially heavy official expenditure, land taxes were raised so high that farmers were forced to take up poppy cultivation because no other crops would yield a profit; at the same time, the opium produced was subjected to haphazard likin taxes in transit between the farmer and market. 10 No doubt much of the tax collected wound up in the pockets of local officials rather than in government coffers. 11

In 1906 the Ch'ing dynasty announced its intention to eradicate poppy production in the provinces of Fengtien (Liaoning), Chilin, and Heilungkiang by 1909 as part of China's overall ten-year opium prohibition plan. 12 The authorities employed a variety of measures to carry out the prohibition drive: employment of the traditional pao-chia system 13 of collective responsibility in order to insure that farmers were not cultivating poppies, random and fixed inspections of villages and farms by provincial
and county (hsien) officials, and the payment of bounties to informers.\textsuperscript{14}

The opium suppression campaign in Manchuria continued into the early years of the republic, with mixed results. In the more settled areas, especially in the south, effective government control insured that poppy cultivation was largely stamped out. Nevertheless, opium production persisted in the vast stretch of wilderness along the border between northern Manchuria and Russia, far from the reach of the authorities. In the remote frontier regions of Chilin and Heilungkiang provinces, poppy farmers paid gangs of picturesque bandits known as hunghutzu (literally "red beards") for protection from the depredations of the authorities or other gangs.\textsuperscript{15} Many of the hunghutzu bands, moreover, produced opium themselves, both for sale and for personal consumption.\textsuperscript{16}

The Recrudescence of the Opium Problem in the 1920s

Chang Tso-lin (1873-1928), the one-time leader of an obscure hunghutzu gang who rose to become the military overlord of Manchuria and leader of the Fengtien warlord clique during the 1920s, appreciated the poppy as a source of both pleasure and profit. The "Old Marshal" not only indulged in an occasional pipe, but his increasing dependence on opium revenues to operate Fengtien military machine amounted to an "addiction to opium profits."\textsuperscript{17}
Consequently, the opium trade flourished in Manchuria under Chang's rule.

Although the Fengtien regime paid lip service to the central government's stated policy of prohibition, Chang left his satraps to their own devices to promote or prohibit opium production. Following the former course was the infamous "Dog-Meat General" Chang Tsung-ch'ang, who took over command of the eastern portion of the Chinese Eastern Railway (C.E.R.) in Chilin Province in 1923. One of Chang Tsung-ch'ang's first actions upon being appointed "Defense Commissioner" of eastern Chilin was to legalize the opium business, and levy a likin tax of ten yuan per pound of opium. Before leaving the area in November 1923 Chang and his army plundered 40,000 pounds of opium from local farmers, and then sold off the spoils in Harbin, Mukden (Shenyang), and Changch'un. 18

In contrast, Chang's successor Chu Ching-lan thoroughly enforced opium prohibition along the C.E.R. His army carried out several sweeps of the area, locating and destroying poppy fields, confiscating opium pipes and other paraphernalia, and even executing a handful of transgressors as an object lesson. Chu's writ did not did not extend beyond the railway zone, however, and poppy farmers in the hinterlands were able to carry on unmolested by the military authorities. After Chu departed from the
scene in 1925 the opium trade in eastern Chilin once more came out into the open. 19

In February 1927 Chang Tso-lin, hard-pressed for funds to continue the war against the Nationalists (Kuomintang) and to prop up the Fengtien currency, lifted the facade of prohibition in the three northeastern provinces and legalized opium under a government monopoly. Promulgating a set of "prohibition regulations," the Fengtien regime levied taxes (under euphemisms such as "license fees" and "fines") on opium production, consumption, and sale. A central organization, the General Opium Prohibition Bureau (Chin-yen tsung-chu), was established in Mukden to oversee the management of the monopoly, which consisted of a network of local government-run retail shops called, ironically, Opium Prohibition Drug Stores (Chin-yen yo-tien). 20

The opium legalization scheme was carried out in Fengtien, where over one thousand government retail shops were opened, and in Heilungkiang, where farmers responded to the lifting of regulations by sowing sixty thousand hsiang (approximately 40,000 hectares) of poppies in 1927. 21 An exception was Chilin Province, where the military governor Chang Tso-hsiang refused to sanction full-scale legalization and contented himself by levying a heavy likin tax on opium imported into the province. 22
Chang Tso-hsiang's adherence to his "principles" was not without a financial cost to the province, however. For example, the Jilin town of Fuchiatien was deserted by most of its residents, who merely moved across the Sunghua (Sungari) River to Heilungkiang Province, where opium smoking was legal. While Fuchiatien became a ghost-town, Machiach'unk'uo, its counterpart on the other side of the Sungari, flourished as a "Monaco of the East," replete with opium dens, gambling houses, nightclubs, and brothels. 23

Although the opium monopoly netted Chang Tso-lin ten million yuan in 1927, it encountered strong opposition from various quarters. Chang's direct control over the General Opium Prohibition Bureau (exercised by appointing his crony Ma I-k'uei as the director) bypassed the Fengtien civil government, thus offending his own bureaucrats. 24 Moreover, the same strange bedfellows who had resisted the establishment of any form of monopoly in China also joined in opposing the Fengtien monopoly: the opium traffickers, who were faced with the loss of their livelihood to the government, and the International Anti-Opium Association, which continued to cling to the principle of absolute prohibition despite its manifest ineffectiveness in China. 25
Following Chang Tso-lin's death at the hands of Kwantung Army assassins in June 1928 his son and heir, the "Young Marshal" Chang Hsueh-liang, nominally subordinated himself to the Nationalist government. As the Kuomintang flag was raised over the three northeastern provinces, the government monopoly was abandoned and the Nationalist opium prohibition law was adopted as a formality. Despite the return to an official policy of prohibition in Manchuria, there was nevertheless little attempt at enforcement due to the Fengtien regime's reliance on opium income to maintain its military machine.

Meanwhile, the general impoverishment of the population contributed to a rise in demand for narcotics, as laborers and the unemployed, too poor to afford the relative luxury of smoking opium, turned increasingly to the inexpensive alternative of morphine, heroin, and cocaine injections to satisfy their cravings. Japanese traffickers continued to dominate narcotics business, with little fear of arrest or punishment by the local consulates.

By the time of the Mukden Incident in 1931 opium and narcotics pervaded the northeastern provinces. Not only did drug abuse in its various forms touch upon all strata of society (even Chang Hsueh-liang was a heavy
opium user and a heroin addict), but millions of people depended on the traffic in one form or another for their livelihood, from the poppy farmers to the peddlers.

The Manchukuo Opium Monopoly

The Establishment of the Monopoly

On the night of 18 September 1931 soldiers of Chang Hsueh-liang's army supposedly sabotaged a section of South Manchurian Railway (Mantetsu) track just outside of Mukden. Responding with alacrity, the Japanese Kwantung Army immediately went on the offensive against the ill-trained and ineptly-led Chinese forces. By December the Japanese military had overrun a large portion of Manchuria, including the three provincial capitals. In the following March the Kwantung Army, which had actually carried out the initial "attack" on the Mantetsu line in order to create a pretext for the conquest of Manchuria, established Manchukuo as an "independent state" under the nominal presidency of "Henry" Puyi, who had been the last emperor of the Ch'ing dynasty.

While the officers of the Kwantung Army had carefully planned the takeover of the three northeastern provinces, they were less well prepared for the task of nation-building. Suddenly faced with an acute shortage of funds to defray the expenses of the continuing pacification
of the region and to establish a central government apparatus, the Kwantung Army, like its Ch'ing and warlord predecessors in Manchuria, found opium to be an irresistible source of revenue.  

Although the Kwantung Army high command decided that a monopoly was the most efficient means of raising revenue from opium, the military men had little idea of how to put such a system into effect. Therefore, on 25 February 1932, even before the inauguration of the new state, the army headquarters sought the advice of Kwantung civil government officials responsible for managing the opium monopoly in the leased territory. The Kwantung bureaucrats offered their military colleagues little encouragement, estimating the cost of implementing a monopoly in Manchukuo at several tens of million yen, with little prospect of recouping the initial outlay. They suggested instead the adoption of a "farm system" in Manchukuo, which would provide the Kwantung Army with instant revenue in the form of "license fees" collected from opium dealers.

Nevertheless, the Kwantung Army headquarters remained committed to its original plan. After making its wishes known (i.e., a functioning and revenue-earning monopoly as soon as possible), the army left the detailed work of planning the opium monopoly to civil functionaries.
dispatched from Tokyo to assist in administering Manchukuo. The most important of those bureaucrats was Hoshino Naoki, a long-time Finance Ministry official who took up the post of director-general of the Manchukuo Finance Department in July 1932. Under the direction of Hoshino's Finance Department, a "Committee for the Preparation of the Opium Monopoly" (Ahen senbai junbi iinkai) was convened on 16 September 1932 to draft Manchukuo's first opium laws and establish the basic parameters of the monopoly system.

The legal foundation of the Manchukuo opium monopoly was the Opium Law (Ahen hō) and regulations for its enforcement, promulgated on 30 November 1932 and effective from 1 January 1933. Essentially, the new law was an amalgamation of the opium laws of the Taiwan and Korea, including: 1) prohibition of opium smoking except by licensed addicts, 2) wholesale and retail by officially-designated agents, 3) government control over the designation of poppy cultivation zones, licensing of poppy farmers, and the collection of all opium produced by licensed farmers, 4) sale of medicinal-use opium by licensed doctors, dentists, pharmacists, etc. Violations were punishable by fines of not more than two hundred yuan or one month of imprisonment.
The promulgation of the Opium Law was accompanied by a proclamation signed by the Manchukuo prime minister Cheng Hsiao-hsu providing an official rationale for the new monopoly system. After first affirming the new regime's commitment to stamping out opium smoking, a habit that "wears out health and wealth, and causes contempt in foreign countries," the proclamation faulted the Fengtien regime for attempting to impose prohibition while ignoring the treatment of addicts, which was likened to "damming a lower stream without adjusting the source." Cheng's proclamation promised the gradual elimination of opium smoking through the treatment of addicts and education to prevent the general public from taking up the pipe.\(^{36}\)

Meanwhile, Hoshino was busy working behind the scenes to satisfy the pecuniary demands of the Kwantung Army, a cohort not known for its patience. Taking advantage of his contacts in Japanese financial circles, Hoshino was able to persuade a consortium of banks to underwrite a Manchukuo government bond subscription totalling thirty million yen. The contract, signed by Hoshino on 29 November 1932, pledged Manchukuo to secure the bonds, and pay the principal and interest primarily with monopoly profits.\(^{37}\)

Thus, it was with a certain sense of complacency that Mutō Nobuyoshi, the ambassador to Manchukuo (and also commander-in-chief of the Kwantung Army), attempted
to offer some reassurance to an uneasy Foreign Ministry. Even if one were forced to admit that the real purpose of the monopoly was to raise revenue, Mutō concluded, at least it would impose some measure of opium control, where none had existed before. 38

The Problem of Supply

Once the opium monopoly plan was set down on paper, Hoshino began to recruit personnel from Japan to put it into operation. Although a "Manchukuoan" was appointed as the nominal director-general of the General Monopoly Office (Senbai sosho), the enterprise was actually under the control of a Japanese vice-director. Hoshino's choice for the position was Nanba (Namba) Tsunekazu, a Finance Ministry colleague who was serving at the time as the chief of the Kobe Revenue Office. 39

Arriving in Hsinking (Changch'un) to take up his post in January 1933, Nanba must have been struck by the enormity of the task of organizing and operating the Manchukuo monopoly. 40 Extrapolating from studies by the colonial governments of Taiwan, Korea, and Kwantung, an October 1932 Mantetsu report estimated that roughly 5 percent of Manchukuo's total population of 30 million were opium and narcotics addicts, or 1.5 million people (nearly ten times the peak number of registered opium addicts on Taiwan). With addicts consuming an average
of 3.75 grams per person per day, Manchukuo's annual requirement for opium totalled over two million kilograms. Therefore, one of the first tasks of the monopoly officials was to secure enough opium to meet the needs of Manchukuo's addicts. The most obvious source was domestic production, and indeed the regime's long-term goal was self-sufficiency.

The importance of securing domestic opium was recognized even before the promulgation of the Opium Law. In September 1932 the monopoly preparation committee issued a temporary ordinance authorizing government agents to travel around the country and buy up (or confiscate) as much opium as possible from Manchurian farmers. Collection, however, was consistently hampered by the fact that most opium production was concentrated in the remote wilderness regions of northern Heilungkiang and Chilin, where the regime had little authority, even after repeated "pacification" campaigns by the Kwantung Army.

The Kwantung Army's annexation of neighboring Jehol in 1933 added to Manchukuo a province not only of strategic importance (it was, in effect, a doorway between Manchukuo and northern China), but also of significance as an opium producer; indeed opium smoking and poppy cultivation were introduced to Manchuria via Jehol during the Ch'ing period. T'ang Yu-lin, the warlord ruler of the province
from 1926 until his expulsion by the Kwantung Army, openly encouraged opium production and then reaped the profits from a variety of schemes: heavy taxes ("prohibition fines") on poppy farmers, likin taxes on opium bound for southern Manchuria and the Peking-Tientsin region, taxes on opium dens, and direct participation in trafficking Jehol opium to Japanese heroin syndicates in Dairen. Consequently, Jehol's annual production of raw opium at the time of the Manchurian Incident was estimated at 1,440,000 kilograms, which represented more than half of Manchukuo's estimated requirements. Although the authorities attempted to take advantage of the existing state of affairs by gradually concentrating Manchukuo's officially-designated poppy cultivation acreage in Jehol, insufficient control over the province meant that much of the opium produced continued to find its way to more lucrative markets in the Peking-Tientsin area.

With no raw opium stocks on hand and little immediate prospect of gaining control over domestic production, the authorities moved to make up the shortage with imports. In April 1933 Manchukuo approached the Government-General of Korea with a request to purchase raw opium. Finding that the year's favorable poppy harvest had resulted in a surplus, the Korean authorities agreed to sell off the excess opium production. At the time the bargain was
concluded, it is likely that neither side regarded it as anything more than a temporary accommodation, but as more and more addicts were added to official rosters, Manchukuo actually increased imports of Korean opium. During the 1930s the Government-General was forced to increase poppy cultivation acreage to meet the demand from Kwantung and Manchukuo, which consumed 75 percent of Korea's entire output from 1933 to 1941. In 1933 Manchukuo also began to import raw opium from Persia, an arrangement that was to thrust the opium monopoly into the center of an increasingly rancorous debate at the Opium Advisory Committee.

**International Reaction to the Manchukuo Monopoly**

Over the first several years of the monopoly's operation the opium and narcotics problem in Manchukuo seemed to worsen at all levels. Due to the inability of the authorities to get a firm grasp on domestic production, plentiful supplies of contraband opium remained in circulation on the market. With a low-cost alternative to the government product still readily available, opium smokers (who, as a group, were disinclined to identify themselves as such to the authorities) had little incentive to add their names to the regime's addict rosters; thus, official figures, which were probably on the optimistic side, showed only 217,060 addicts registered by 1935.
Moreover, although the Opium Law stipulated that opium wholesale and retail licenses were only to be issued after a thorough police investigation into the character of the applicant, in reality the sole criterion was the applicant's ability to pay the license fee. Consequently, opium dens and shops seemed to mushroom all over Manchukuo, as new businesses were established and old ones were able to operate in the open. 53

The most glaring deficiency of the Manchukuo monopoly system, however, was the lack of attention to narcotics control. 54 Because the Opium Law of 1932 only applied to raw opium, smoking paste, and medicinal opium, there were no legal restrictions on morphine, heroin, and cocaine. As a result Japanese and Korean narcotics traffickers were able to continue business as usual with little to fear from the Manchukuo or Japanese police—in some cases, they even became the police: for example, Kostia Nakamura of Harbin, the ostensible barber and criminal jack-of-all-trades, metamorphosed into a kenpei (gendarmerie) official after the founding of Manchukuo. In his new guise, Nakamura acted as the liaison between the Japanese army and Russian émigré groups in Harbin, and participated in kenpei "dirty tricks" operations such as the notorious Kaspé kidnapping case. 55

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The atmosphere of chaos and corruption generated by the legalization of the opium trade in Manchukuo was not lost on outside observers. Foreign journalists who visited Manchukuo came away with negative opinions of the new monopoly system. Writing for the popular Saturday Evening Post, Edgar Snow, who had critically examined the Taiwan monopoly in 1930, asserted that the opium and narcotics problem was "palpably worse" under the new regime, with drug shops flourishing all across Manchukuo. Given the nature of the subject, some degree of sensationalism was inevitable. Even the Chinese Recorder, a normally staid missionary journal, was unable to refrain from publishing a lurid exposé on the infamous "ash heap of Mukden," a popular dumping ground for dead or dying derelicts, most of whom were thought to be drug addicts. To add to the effect, the article was accompanied with photographs--"the most gruesome the Chinese Recorder has ever published." Although more restrained than the press, foreign diplomats in Manchukuo joined in expressing reservations about the opium monopoly. The U.S. consul in Mukden, for example, reported on 16 May 1933 that the city would soon have up to fifty licensed retail shops, which could be opened with a deposit of only 500 yuan; at the same time, the local police were refusing to take any action to close
"illicit" (i.e., non-licensed) drug shops. Adding to the sense of suspicion regarding Manchukuo monopoly was the report of the thirty million-yen loan, which led the U.S. State Department to conclude "... the fact that the unusual step has been taken of pledging revenue from an opium monopoly as security for a loan would seem to presage an effort to exploit rather than to suppress the traffic in opium smoking."59

The situation in Manchukuo was also an issue of intense concern to the Opium Advisory Committee in Geneva, first taking center stage at the seventeenth session of the OAC in October-November 1933. Confronted with reports that the new regime in Manchuria was planning to import large quantities of raw opium from Persia, the OAC was forced to decide whether or not to accept import certificates issued by the Manchukuo government. On one hand, by accepting the certificates, the OAC would receive at least some degree of accurate information on the movement of opium to Manchukuo; but on the other hand, acceptance might be taken as a form of de facto recognition, in violation of the League's non-recognition policy.

The Japanese representative, Yokoyama Masayuki, fully appreciated the OAC's dilemma, and attempted to take advantage of it to secure recognition for Manchukuo.
While ostensibly agreeing on the importance of obtaining reliable information from the Manchukuo authorities, Yokoyama warned his colleagues that "... it was difficult to take steps with the Government of that territory. The people of "Manchukuo" were very jealous of their newly gained independence. Since they had not been recognized by the League, they did not see why they should collaborate in its activities." He suggested coyly that, if the OAC made a direct request to the Manchukuo government, the desired information would be forthcoming. 60

Yokoyama's disingenuous speech prompted his Chinese colleague Victor Hoo Chi-tsai to comment ruefully that "M. Yokoyama's remarks showed how difficult it was to distinguish between political and technical questions, since he had just made a political speech in the Committee." 61

Although the OAC reached a solution that technically preserved the non-recognition policy, it nevertheless began to accept the Manchukuo import certificates. 62 An apparent victory for Tokyo, the decision to accept Manchukuo certificates led to the emergence of the United States as the leading Western critic of Japan, and, by extension, supporter of China, on the OAC. 63 A long-standing opponent of opium monopolies in Asia (which had even withdrawn from the Geneva Opium Conference in protest over the...
prolongation of colonial monopolies), Washington saw its worst suspicions about monopolies seemingly confirmed by conditions in Manchuria, and opposed the inclusion of the Manchukuo in the certificate system.64

At the seventeenth session of the OAC the American representative Stuart J. Fuller strongly protested the decision to accept the certificates from Manchukuo, bluntly characterizing the opium monopoly there as "the single largest venture ever undertaken in the illicit traffic in narcotics," which "was established for the express purpose of extending and exploiting the smoking of opium."65 Fuller, described by State Department colleague Stanley Hornbeck as "a man of unusual ability, thoroughly sound judgement and inexhaustible energy," was to remain Japan's bane on the OAC during the 1930s.66

Despite the efforts of the committee to limit its competence to purely technical matters of drug control, the role of the Manchukuo monopoly (and opium and narcotics in general) within the broader context of mounting Sino-Japanese tensions in the 1930s inevitably politicized the deliberations of the OAC. For both China and Japan the OAC was yet another battleground in the war to win the "hearts and minds" of the Western powers. However, as Fuller's remarks on Manchukuo indicated, Japan had probably already lost the battle for the OAC by 1933.
From Monopoly to Suppression

The Ten-Year Suppression Plan

By the beginning of 1937, nearly five years after its inauspicious (and to some observers, suspicious) inauguration, the Manchukuo opium monopoly system began to show some signs of progress. As a degree of internal stability returned to the region and the regime was able to extend its authority, monopoly control over the opium trade also improved. Roughly 500,000 opium smokers had been registered and licensed by the end of 1936, and the consumption of officially-approved opium as a percentage of total consumption increased accordingly.67 As more of Manchukuo's smokers began using the government's product, monopoly income and profit rose.68

Nevertheless, many fundamental problems persisted. The majority of opium smokers was still eluding government registration, while the effects official inattention to the narcotics traffic and addict treatment were most glaring on the ash heaps of Mukden.69 Control over the domestic supply remained beyond the grasp of the monopoly, especially in southern Jehol, where much of the local production was continuing to filter through the demilitarized zone into northern China.70 Despite attempts of the authorities to crack down on smuggling, less than half of Jehol's annual raw opium harvest, at best, was
making its way into government warehouses. Unchecked smuggling not only resulted in financial drain (in order to make up the shortfall, Manchukuo was forced to continue the costly expedient of importing Korean and Persian opium), but also posed a potential threat to border security.

In 1936 Hoshino Naoki was appointed director of the General Affairs Board, which was arguably the most powerful civil post in Manchukuo. As an expert in finance, Hoshino came to realize something that had escaped Manchuria's warlords and the Kwantung army: namely, that the short-term benefits of opium revenue were outweighed by the long-term costs to the state. While the monopoly was continuing to turn an annual profit of as much as 30 million yuan, opium consumption alone was draining approximately 180 million yuan from the national economy every year. Moreover, drug abuse was costing yet another 150 million yuan per year in lost labor productivity and added policing and administrative burdens. As Manchukuo was about to embark on an ambitious five-year industrial development plan from 1937, the prospect of conserving over 300 million yuan of capital badly needed for investment, as well as the necessity of preserving a healthy and productive work force, gave the regime a definite stake in promoting drug control.
Shortly after taking up the new post Hoshino ordered his staff to begin drafting a prohibition plan. Ignoring the advice of opium experts on his staff, who believed that prohibition would take at least twenty years given current conditions in Manchukuo, Hoshino considered the opium monopoly to be functioning efficiently enough to eliminate the opium problem in ten years. Thus, in October 1937 the Manchukuo regime formally announced a plan to prohibit opium and narcotics within ten years from 1938.

Even before the announcement of the ten-year plan the authorities finally promulgated a narcotics control law. Issued in July 1937, the Narcotics Law (Mayaku hō) and regulations for its enforcement required prospective producers, importers, and sellers of morphine, heroin, and cocaine to register with the government and submit annual reports on the year's transactions. Moreover, narcotics users were to be included in the addict registration and licensing system—as registered addicts, they were permitted to purchase from government shops rationed doses of morphine, heroin, and cocaine, for "medicinal purposes."

On paper, the ten-year program promised sweeping reforms at all levels of the opium trade: consumption, sale, and production. According to the plan, the government
was to carry out a thorough addict registration and licensing drive in 1938, and then close the official roster in 1939. The presumably fixed number of addicts was then to be reduced gradually through a combination of attrition and medical treatment at government rehabilitation centers (kōsei-in), which were to be established and operated at the provincial and hsien level with monopoly profits.76

At the same time the existing practice of selling licenses to private merchants for opium retail sales and wholesale was to be phased out gradually along with all licensed opium dens, which were also private businesses. In their place the government was to take direct control over retail shops and opium dens, thus eliminating, in theory, the profit motive from the sale of opium. Displaced retail sellers and opium den operators were to be assisted by the government in finding new work in order to prevent them from continuing business "underground."77

Finally, at the production level there was to be a gradual reduction in officially-designated poppy cultivation acreage corresponding to the reduced demand of a declining number of licensed addicts, and former poppy farmers were to receive government assistance in planting substitute crops. In order to insure that the opium produced would be delivered to the government, local agricultural cooperatives were assigned the responsibility
of collecting the annual poppy harvest, replacing the existing system of employing licensed private agents. Reporting on the announcement of the ten-year plan, the British consul in Mukden Oswald White expressed reservations which may well have been shared by Manchukuo officials:

"... the prospects of success must be negligible, since ... the ten year plan places a very heavy strain on the country's medical and police resources, and makes no allowances for the dubious loyalty of many of those concerned. Even if officialdom were united in its desire to abolish this noxious but profitable trade, its sheer size would present problems that ten years could barely solve."

The prescience of White's remarks, however, was not to become apparent until well after the outbreak of the war in the Pacific.

Manchukuo and the OAC

In 1933 the Japanese government declared its intention to withdraw from the League of Nations, and formally severed connections with the League in March 1935. Nevertheless, after receiving a formal invitation from Geneva, Tokyo decided to remain as a member of the Opium Advisory Committee and other League technical bodies. Japan's continuing presence on the OAC resulted in series of increasingly rancorous meetings, culminating in a showdown of sorts at the twenty-third session in June 1938.
Stuart J. Fuller, the American representative who had first denounced the Manchukuo monopoly at the OAC's seventeenth session in 1933, offered similarly blunt observations at subsequent meetings. Convinced of the widespread complicity of Japanese nationals (especially the army) in the drug traffic and frustrated by Japan's lack of cooperation in controlling the problem, Fuller excoriated Tokyo for the unsatisfactory situation in Manchukuo and China. Backing up his statements with an impressive array of statistics and local press reports, and with a reputation as a forceful speaker, not without a flair for drama, Fuller was able to make a persuasive case. For example, at the twenty-second session in 1937, he quoted extensively from a Mukden newspaper exposé on the infamous ash heaps.

The passion which Fuller brought to his presentations eventually began to rub off on some of his OAC colleagues, who attempted to emulate him with occasionally embarrassing results. Also at the twenty-second session Thomas W. Russell (Russell Pasha), representing Egypt, outdid his American colleague by asserting, among other things: that Japan was responsible for manufacturing 90 percent of the world's illicit drugs; that five hundred kilograms of heroin per week were being smuggled from the Japanese Concession in Tientsin to Europe and the United States;
and that in Harbin, the bodies of dead addicts were left on the streets for days ("even the dogs sometimes will not eat them").

In the face of such allegations, the hapless Japanese representative Yokoyama Masayuki was able to do little beyond registering a weak protest at the "annoying bluntness of the allegations made." Yokoyama's successor at the twenty-third OAC session, held in June 1938, was made of sterner stuff. Amō (Amau) Eiji, then serving as minister to Switzerland, was best known for the 1934 declaration bearing his name which asserted that Japan would brook no outside interference in its relations with China; subsequently withdrawn, the Amō Declaration was commonly referred to as Japan's "Monroe Doctrine in Asia."

In his statement to the OAC, Amō, claiming that he was not speaking officially for the Manchukuo government, nevertheless defended the regime's record by pointing out some of the reported advances, such as the ten-year plan and a recent roundup of smugglers. He also took unnamed colleagues to task for introducing unverifiable materials into the deliberations, a tactic which he considered unfair. Departing from the passivity of his predecessors, Amō then went on to attack the Nationalist record. Specifically, he pointed out reports of large-scale raw opium production in Yunnan, "where
the Japanese are for once exempt from the charge usually brought against them," and blamed conditions in northern China on the abuses of Yen Hsi-shan and Feng Yu-hsiang, two warlords affiliated with the Kuomintang. 86

Amō's counterattack, followed by professions of Japan's continuing cooperation on opium and narcotics control, left Fuller unmoved. After dismissing the ten-year suppression plan and Narcotics Law as an attempt by the regime to add narcotics profits to the already-lucrative opium trade, Fuller claimed that there had been no improvement at all in Manchukuo, where the monopoly was responsible for supplying crude morphine to northern China. Having disposed of Manchukuo, Fuller addressed the situation in China in some detail, accusing the Japanese army of smuggling Iranian opium into the occupied areas, where "the situation . . . is worse than ever and gives cause to the entire world for serious apprehension." 87

In his post mortem on the twenty-third session, Amō complained that Fuller and other critics on the OAC were purposely distorting Japan's record on opium and narcotics in order to court the attention of the press. He was, nevertheless, unable to offer any solutions to the perennial problem of improving Japan's performance on the OAC, beyond suggesting that Tokyo undertake a counter propaganda campaign in the West to offset the
negative publicity generated by the deliberations at Geneva.  

Amō's observations were rendered moot in November 1938, when Japan, threatened with economic sanctions, announced its withdrawal from all cooperation with the League in November 1938. Thus, Amō was the last representative of Japan to sit on the OAC.  

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-Stuart J. Fuller to the Opium Advisory Committee, 1936

In July 1937 the long-smouldering tensions between Japan and China finally erupted into war at Lukouchiao (the Marco Polo Bridge). Advancing southward from the Peking area in a rapid but increasingly bloody campaign, the Japanese army conquered the Nationalist capital of Nanking in December 1937, following up the battle with a massacre of the city's population. Meanwhile, the Kwantung Army launched an offensive to the west and fulfilled a long-held ambition by overrunning much of Inner Mongolia by October 1937. With the Japanese army's occupation of Canton in October 1938 its offensive momentum dissipated, and the war in China settled into a stalemate.

The outbreak of war in the Pacific in 1941 witnessed a similar series of rapid conquests in Southeast Asia. In short order, Malaya, the Philippines, and the Dutch East Indies fell to the Japanese military, while the British army was driven almost entirely out of Burma.
Indochina, though remaining under the nominal sovereignty of Vichy France, was occupied by the Japanese army.

As the architects of Japan's thrusts into China and Southeast Asia soon discovered, however, conquest and control are not necessarily synonymous. Ill-prepared for the task of administering such an unwieldy area, Japanese military and civil officials were unable to translate territorial acquisition into enhanced security or opportunities for economic exploitation, the two chief rationales for going to war in the first place.

Indicative of Japan's larger failure to realize a "New Order in East Asia" was the failure to impose control over opium and narcotics in China and Southeast Asia. Unable to surmount market forces with paper schemes to rationalize supply and demand, Japanese administrators in the occupied territories were helpless to prevent more and more locally-produced opium from slipping out of official control into the underground traffic. As a result, the official monopolies in the areas under Japanese rule, accounted for, at best, only a fraction of the total volume of the traffic, and by end of the Second World War, Japan itself was hard-pressed to secure sufficient raw materials for domestic pharmaceutical production.
Northern China, 1937-1938

As was the case with Manchuria, the densely-populated provinces of northern China were a major market for opium long before the Japanese invasion. Despite nominal adherence to the Nationalist prohibition policy during the period immediately preceding the outbreak of the Sino-Japanese War, demand remained especially heavy in the Peking-Tientsin area, where opium was not only consumed by a large number of smokers, but was also used as a raw material in the manufacture of morphine and heroin by Japanese syndicates concentrated in the two cities.² With little local production, the region was dependent largely on opium smuggled in from provinces to the west (Ninghsia, Kansu, and Suiyuan), and from Jehol in the north.³

In December 1937 the Japanese North China Army followed the example set by the Kwantung Army five years before and installed a "puppet" Chinese regime in Peking. The "Provisional Government of the Republic of China" (commonly known as the Provisional Government) was under the titular leadership of Wang K'o-min, a veteran bureaucrat whose career dated back to the Ch'ing period, and was theoretically responsible for administering all or part of five provinces: Hopei, Shantung, Shanhsi, Honan,
and Kiangsu. 4 In reality, however, its tenuous writ barely extended to the major cities and railways lines (i.e., areas occupied by the Japanese army).

With limited authority and a constricted financial base, the hastily-organized Provisional Government, acting under the "guidance" of the North China Army, moved quickly to begin securing at least some revenue from the local opium trade. By February 1938 a customs duty levied on the drug was generating approximately 200,000 yen per month for the new regime; in June, a tax on the roughly 150 licensed opium dens in Peking added another 20,000 yen to official coffers every month. 5

Although Wang K'o-min expressed a desire to establish a government opium monopoly along the lines of the system in Manchukuo, he was overruled because the Japanese embassy in Peking, with little faith in the viability of the new regime, objected that such a move would cause "international and domestic misunderstandings." 6 Embassy officials envisioned instead a hybrid monopoly-opium farm system consisting of a government "Opium Prohibition Bureau" (Kaienkyoku) to supervise control measures (namely, to collect taxes, levied as "fines") and an officially-chartered syndicate of influential local opium merchants to control supply and distribution to retailers. 7
While Provisional Government officials and their Japanese "advisors" were debating paper plans to maximize revenue, the opium trade in northern China flourished in the increasingly laissez faire atmosphere. With little to fear from the new regime, which was so feeble that it was unable even to carry out tax collection thoroughly in the areas under its control, opium wholesalers and retailers carried on business activities in the open. In the major cities, where the effects of the war and the Provisional Government's attempt to circulate its own money had disrupted the currency system, opium came to be regarded as such a stable medium of exchange that local banks accepted it as collateral for credit. In Peking, the fortunes of merchants rose or fell as a result of speculation on opium futures.

Merchants who bet on a rise in prices were rewarded when the war interrupted the flow of opium from the west, which caused the wholesale price in Peking to more than double between July 1937 and September 1938. In response to the sudden inflation in the Peking market, smuggling from Jehol and Inner Mongolia increased, and at the same time, impoverished local farmers also began sow poppies in order to take advantage of the price rise. Although the authorities were intent on gaining control over the opium supply, the farmers, operating far from the slender
"pacified" zones occupied by the Japanese military, had little difficulty in evading the attempts of Provisional Government officials to collect or tax the poppy harvest. At the same time, the confused conditions in northern China also facilitated the proliferation of the narcotics traffic. Although Japanese heroin and morphine syndicates had begun operating out of Peking and Tientsin as early as the beginning of the 1920s, the arrival of large numbers of Japanese, and especially Korean, transients in the wake of the Japanese army provided producers with a ready-made sales force to distribute narcotics throughout the region. Following the Japanese military forces across northern China, Korean drug peddlers quickly established a symbiotic relationship with local army units: in return for tolerance, or even protection, Korean peddlers (who usually sold narcotics as a sideline) furnished the soldiers with sundry creature comforts and proved to be a useful source of intelligence.

Central China, 1937-1938

Although conditions in northern China were certainly chaotic in the months immediately following the outbreak of the war, the region suffered little physical destruction. Peking and the other major cities were captured intact, as were the transportation and communication systems. The same, however, could not be
said for central China, which was devastated during the Japanese army's offensive. The major cities of the area, including Shanghai, Nanking, and Wuhan, were badly damaged by a combination of Japanese air raids and fierce ground fighting. Moreover, unlike the north, where most people chose to remain in place and take their chances with the Japanese army, central China was rapidly depopulated as millions fled to the interior.

The war had a similarly disruptive effect on the opium trade. As an area with heavy demand and little local production, central China had traditionally relied on the southern provinces of Yunnan and Szechuan for its opium supply, but those sources were cut off by the hostilities. Moreover, many influential opium merchants fled at the approach of the Japanese army, including Shanghai's most notorious smuggler, Tu Yueh-sheng. Leader of the powerful underworld Green Gang, Tu parlayed his intimate personal and political relationship with Chiang Kai-shek into a virtual monopoly over opium sales in Shanghai until escaping to Hong Kong in 1937.

Sensing an opportunity to corner the Shanghai opium market, the local Japanese army tokumubu (special services, i.e., intelligence, unit) moved quickly to fill the void left by the sudden departure of Tu and other Chinese smugglers. In November 1937 tokumubu officers made an
arrangement with Mitsui Bussan to ship 200,000 pounds of Iranian opium to Shanghai for distribution on the local market. In order to conceal army involvement in the deal, a Japanese reporter in Shanghai, Fujita Isamu, was recruited to lend his name to the purchase order and act as a liaison between the tokumubu and Mitsui. The Iranian opium ultimately arrived in two consignments, in April 1938 and January 1939.18

At least part of the proceeds from the sale of the Iranian opium were probably used to establish the "Reformed Government of the Republic of China" (commonly referred to as the Reformed Government). A creature of the Japanese Central China Expeditionary Army, the Reformed Government was inaugurated in Nanking in March 1938. Appointed to head the new regime was Liang Hung-chi, a bureaucratic retread whose chief claim to distinction was his long-time service as secretary to the warlord Tuan Ch'i-jui.19 Presiding over a ruined and deserted territory with a nebulous administrative apparatus, the Reformed Government was, if anything, an even less viable proposition than the Provisional Government in the north; consequently, the Japanese army exercised much more direct control over affairs in central China.

In 1938 the Reformed Government established a hybrid monopoly-opium farm similar to the system contemplated
for northern China. Although a nominal "prohibition bureau" (kaienkyoku) was created to oversee tax collection and the putative addict registration system, more important to the tokumubu was the formation of a merchant association to distribute the Iranian opium throughout central China. The Hung-chi Benevolent Association (Kōsai zendo—not to be confused with its namesake in Dairen in the early 1920s) was run by Satomi Hajime, a tairiku rōnin and self-styled "journalist." Masquerading as a Reformed Government organization, the Kōsai zendo was in reality operating at the behest of the Japanese army.²⁰

Nevertheless, the Japanese military was unable to impose thorough control over the opium trade in central China. In Shanghai, members of Satomi's neophyte organization made little headway in monopolizing the local market due to competition from independent merchants operating out of safe havens in the French Concession.²¹ Moreover, Kōsai zendo members selling opium in the International Settlement risked arrest because the Shanghai Municipal Council, refusing to recognize the authority of the Reformed Government, continued to apply the Kuomindang prohibition law.²² In desperation, the Japanese even attempted to lure Tu Yueh-sheng away from Hong Kong with an offer to run the Shanghai operation, but, after some consideration, Tu rebuffed the offer.²³
The "East Asia Opium Conference," 1939

By the beginning of 1939, some officials in Tokyo had come to realize the necessity of introducing a measure of coordination to the formulation of opium policy among the increasingly far-flung territories under Japanese control. One such official was Amō Eiji, Japan's last representative to Opium Advisory Committee. Exposure to the scathing attacks of Stuart J. Fuller and other OAC members left Amō with a certain sense of ambivalence: on one hand, he was convinced that the OAC had degenerated into a tool manipulated by the United States, Britain, and France to attack Japan; but on the other hand, he probably was not entirely unconvinced that there was at least a grain of truth in the revelations of Fuller and the others. 24

Therefore, after Japan withdrew from the OAC in 1938, Amō proposed that Tokyo convene an "East Asia Opium Conference" comprised of representatives from Japan, China, Korea, Taiwan, and Manchukuo. Such a gathering, Amō asserted, would advance mutual cooperation among the governments concerned, promote a coordinated opium policy in the region, and make a good impression abroad. 25 The Foreign Ministry, sensing an opportunity to gain an advantage in its bureaucratic struggle with the newly-created Koain (Asia Development Board, also translated
as China Affairs Board) over the control of political relations with China, took up Amō's proposal. In April 1939 Nishimura Kumao, a Foreign Ministry official, was dispatched to the continent to investigate the drug traffic on the spot and to broach the idea of an opium conference to the local governments.26

Arriving first in Keijō, Nishimura must have been surprised by the results of his consultations with officials of the Government-General of Korea. Although the poppy cultivation acreage was being expanded in response to Manchukuo's rising demand, the Monopoly Bureau was increasingly hard-pressed to meet export quotas. Not only were farmers showing a lack of enthusiasm for poppy production due to the relatively low rate of official compensation, but more and more Korean opium was finding its way to Manchukuo through illicit channels; the Monopoly Bureau estimated that in 1938 alone, approximately 25,000 kilograms was smuggled across the border to Manchukuo, as opposed to 30,000 kilograms delivered officially.27 Government-General officials blamed the massive increase in smuggling on lax opium control in Manchukuo.28

Moving on to Hsinking, Nishimura attended a roundtable conference of Manchukuo monopoly and police functionaries, who reported a mixed record of success in implementing the ten-year suppression program. On the
positive side, 600,000 addicts had been registered, and plans for the establishment of treatment centers in every hsien were proceeding on schedule. Less encouraging was the admission of the Manchukuo authorities that at least 300,000 opium addicts (mostly from the middle and upper classes), not to mention an unknown number of narcotics users, were still avoiding registration.29

Moreover, the opium supply remained problematic. At the same time the addition of addicts to official rosters was causing a rise in demand for government-supplied opium, the outbreak of the war in China and subsequent inflation in the Peking market exacerbated the drain of opium from Jehol; thus, self-sufficiency in Manchukuo was as distant a prospect as ever.30 Just as Government-General officials blamed the drain of Korean opium on internal chaos in Manchukuo, the Manchukuo authorities in turn complained that the unstable situation in northern China precluded more thorough collection of the poppy harvest in Jehol.31

Nishimura's final stop was northern China, where he found that the complaints of the Manchukuo officials were not entirely without justification. The Provisional Government's "advisors" could report little progress in the effort to organize local opium merchants into a monopoly, while plans to establish a government prohibition
bureau were still confined to paper. Registration of the region's estimated 2,700,000 opium smokers was not yet even under consideration. At the same time, the narcotics traffic remained an official blind spot, despite the fact that the authorities in northern China were well aware of its pernicious effects. Consequently, not only were Chinese being victimized by morphine and heroin addiction, but increasingly, Koreans and Japanese were falling into the habit.

Although Nishimura found strong support in Korea for an "East Asia Opium Conference," the Manchukuo authorities were lukewarm about the idea, while officials in northern China considered it impractical. Without the unanimous support of the governments concerned, the Foreign Ministry was forced to abandon its plans to host an annual opium conference, and the Koain assumed the lead in formulating opium policy on the continent. However, as Nishimura's report revealed, the new organization would face formidable, and perhaps insurmountable, obstacles in implementing any plans to systematize the chaotic opium supply and demand situation in the areas under Japanese control.
The Kōain was established in December 1938 as an organization to oversee the administration of the Japanese government's political, economic, and cultural policies in China. The prime minister was the Kōain president, while the foreign, finance, army, and navy ministers were vice-presidents. Although headquartered in Tokyo, the Kōain maintained liaison offices (renrakubu) in Peking, Shanghai, Kalgan, and Amoy, through which directives from the center were carried out at the local level. Broadly speaking, the formation of the Kōain signalled a victory for "hard-liners" (i.e., the military), who opposed reaching an accommodation with the Nationalists to end the war in China, and the Kōain eventually supplanted the Foreign Ministry in directing China policy.34

In a memorandum dated 25 July 1939, the Kōain set down the basic parameters of opium policy in the occupied territories of China. First, the Japanese-sponsored regimes were to be "guided" in establishing functioning opium systems as soon as possible, with gradual suppression as the underlying principle. Second, the registration of opium smokers was to be initiated as soon as circumstances in each area permitted; narcotics use was to be prohibited. Third, and most important, the import of foreign (i.e., Persian) opium was to be discouraged.
as much as possible and local production encouraged to promote self-sufficiency. 35

Carrying out the crucial third resolution presented a considerable challenge. Although the authorities in northern China were attempting to collect as much of the local poppy crop as possible, the region still faced an annual deficit of at least 144,000 kilograms of opium. The situation was even worse in central China, which had become dependent on Iranian opium since the outbreak of the war: the estimated total demand of 360,000 kilograms in 1939 was being entirely met by imports from Iran. 36 The problem, then, was to find an area under Japanese control that could supply the demand for opium in northern and central China. For Kōain planners, Inner Mongolia seemed to be the best choice.

Even before the Kwantung Army's invasion, Inner Mongolia (consisting for the most part of Chahar and Suiyuan Provinces) had been a major opium-producing area. Suiyuan, in particular, was one of the three leading suppliers to the Peking-Tientsin market. Opium revenue, not surprisingly, was a financial mainstay of the various local warlords, most notably Yen Hsi-shan, the so-called "model warlord" based in Shanhsii Province. Yen, like many of his colleagues (and later the Japanese army), formed
a titular "opium prohibition bureau" to levy taxes under the guise of "fines."³⁷

After driving Yen's forces out of the region at the end of 1937, the Kwantung Army established three local "autonomous governments" in Inner Mongolia: the Chinpei Autonomous Government in northern Shanhsi Province, the Autonomous Government of the Mongolian League, based in Suiyuan Province, and the Chanan Autonomous Government.³⁸ Despite the changes in the political landscape, however, opium taxes remained a constant: in 1938, revenue from the poppy accounted for roughly 13 percent of the total income of the Chinpei and Chanan governments, and 27 percent of the Mongolian League's total income.³⁹

In September 1939 the three local governments united into a single entity, the "Autonomous Government of the Mongolian Federation," with its capital in Kalgan.⁴⁰ For the impecunious new regime, the Kōain's July decision to "endeavor to secure maximum [opium] production in Inner Mongolia" in order to supply China represented literally a golden opportunity.⁴¹ Whether the authorities in Inner Mongolia would be able to take advantage of the opportunity by meeting the Kōain's production target of approximately 250,000 kilograms remained to be seen.⁴²
The Balance Sheet, 1940-1941

By 1940 the Koain could claim a few gains in systematizing the opium and narcotics trade in occupied China. In northern China, the "North China Political Council" (as the Provisional Government was renamed March 1940) was finally beginning to realize consistent income from opium taxes levied by the Consolidated Tax Bureau (Tōzeikyoku), which had established branch offices in most of the major cities. Moreover, the long-contemplated plan to form an officially-licensed syndicate of opium merchants to carry out the distribution of government-supplied opium was finally coming to fruition. The North China Opium Dealers Corporation (Kahoku to'yakugyō kōkai) was incorporated in October 1940 with a paid-up subscription of ten million yen.

At the same time, the opium harvest in Inner Mongolia, which had been a disastrously low in 1939 due to a combination of official ineptitude and bad weather, began to approach the expectations of Koain planners in 1940. In central China, the shadowy Reformed Government had been replaced by a new regime under Wang Ching-wei, an ex-Nationalist leader of some stature. The Koai zendo, which was continuing to operate as the official distribution mechanism in the region, had begun to sell Mongolian opium; the profits from those sales, combined
with opium taxes, were reportedly netting the new Nanjing regime up to 1,500,000 yen per month.\textsuperscript{46}

Despite such minor achievements, however, the local regimes in China and their Japanese "advisors" were able to gain control over a small percentage of the opium and narcotics traffic in the region. In northern China, the authorities attempted to encourage local production by designating approximately 18,000 hectares of poppy acreage in 1941. Farmers responded with enthusiasm to the lifting of restrictions, far exceeding official expectations by producing a bumper crop estimated at 540,000 kilograms. As a result of the regime's weak control at the local level and the low rate of official compensation, however, only 21,000 kilograms, or 4 percent of the total, found its way into government hands. The remainder either was purchased by narcotics bootleggers in Peking and Tientsin, or trickled into central China, where opium was fetching a much higher price.\textsuperscript{47}

Nor did the North China Opium Dealers Corporation, the officially-licensed distribution syndicate, live up to the expectations of Japanese planners in northern China. The syndicate members largely ignored the government product, preferring instead to continue brokering the more lucrative bootlegged opium on the underground market. As a consequence, the end of 1941 found the authorities
left with an overstock of approximately 20,000 kilograms. The Kōain blamed the failure on the syndicate, in which "there was room for improvement in the human element," but in fairness to the opium dealers, the North China Political Council was a regime hardly likely to inspire intense feelings of patriotic self-sacrifice.48

Further destabilizing the officially-managed portion of the opium trade in occupied China was the sudden drop in the value of the fapi, the paper currency circulating in central China, in October 1941. Forced to pay for Mongolian opium with devalued currency, the Kōsai zendo suffered a huge financial loss, made worse by the drop in the purchasing power of local smokers. At the same time, the upheavals in the currency system of central China led to a sudden inflation of the value of opium, triggering a "flood" of opium smuggled from Mongolia and northern China which local officials were unable to stem. Moreover, as more opium smokers in central China switched to less expensive alternatives such as morphine and heroin, narcotics production syndicates in Peking and Tientsin exacerbated the opium drain by purchasing a larger portion of the local poppy crop to meet the sudden rise in demand in the south.49

By the end of 1941 the Japanese administrators of the occupied territories in China were beginning to realize
what their colleagues in Manchukuo had discovered several years before: namely that the opium trade, an attractive short-term revenue source, was in the end a financial liability. This lesson was to be driven home with particular force after the outbreak of the war in the Pacific in December 1941, as the masters of the "New Order in East Asia" attempted in vain to wean farmers from poppies to grain production and to turn a drugged and enfeebled population into a vital and productive labor force.

Opium and the Pacific War, 1941-1945

Plans for the Occupied Territories of Southeast Asia

As was the case with the occupied areas in China, opium smoking was a long-established habit in most of the territories of Southeast Asia occupied by Japanese military forces during the Second World War. Although the United States had imposed a policy of prohibition in the Philippines soon after assuming control over the archipelago, the European colonial powers permitted opium smoking in their Asian possessions with various degrees of leniency, and the colonial governments generated considerable revenue from opium through official monopolies or opium farms. At the time of the outbreak of the war in the Pacific, Malaya was thought to have the largest
population of smokers in Southeast Asia (130,000), followed by French Indochina (120,000), and the Dutch East Indies (60,000). Thailand, an independent state, also operated a government monopoly to supply the needs of roughly 80,000 opium users. 50

From the sketchy surviving documentation, it seems that there was little thought given to the opium problem in Southeast Asia until well into 1942, when Japanese planners devised a centralized monopoly system. The monopoly, which would embrace all of the newly-conquered territories in Southeast Asia, was to distribute opium, regulate prices, and administer addict registration. 51 The production of smoking paste was also to be centralized: a factory located in Batavia (taken over from the Dutch colonial government) was to continue supplying smokers in the East Indies, while the former British monopoly factory in Shōnan (Singapore) was assigned to manufacture smoking paste for consumption in Malaya, Brunei, and Sarawak. In place of the Indian and Persian imports upon which the region had depended before the war, Japanese planners intended import raw opium from Mongolia and possibly Manchukuo in order to maintain regional self-sufficiency. 52

The exigencies of the wartime situation, however, prevented the realization of the paper plans for Southeast
Asia. As an expedient, ill-prepared Japanese administrators preserved the existing colonial monopoly distribution and addict registration schemes, Tokyo's claims of fighting a "holy war" to liberate the people of Asia from Western imperialism notwithstanding. In Shōnan, the Japanese army had seized approximately 5,000 kilograms of opium along with the British monopoly factory, which was promptly sold off on the local market at a considerable profit. At the Dutch factory in Batavia, the occupying forces found a windfall of nearly 25,000 kilograms of opium, and most likely disposed of it in the same way as their colleagues in Shōnan. At length, the plan to export Mongolian opium to the south was destined to remain confined to paper due to the wartime paucity of shipping; thus, Southeast Asia was essentially left to fend for itself.

The Failure of Opium Suppression in Manchukuo

At the annual Kōain conference on opium supply and demand in December 1942, the mood was more reflective about the costs of the drug traffic than in previous years. After one year of war in the Pacific, the Japanese government was scrambling to mobilize every available resource, both in Japan and the occupied territories, in the life-and-death struggle with the Allied Powers. To Kōain officials, who were concerned about maintaining
the food supply, poppy acreage was increasingly perceived as wasted acreage. This dilemma was especially vivid in Inner Mongolia, where opium production was not only taking up acreage on which grains could have been sown, but was also diverting labor needed for mining and growing food crops. Nevertheless, by the time drug control was made imperative by the emergency wartime situation, it was far too late for the Japanese authorities to implement any meaningful measures to suppress the opium and narcotics traffic in occupied China. Even in the best of times, it would have been difficult to enforce such measures in view of the Japanese army's incomplete control over the region.

The wartime fate of Manchukuo's ten-year opium suppression program illustrates some of the seemingly insurmountable obstacles to drug control faced by the Japanese-sponsored regimes in China. As the oldest and most firmly established of such regimes, with a definite interest in eliminating drug abuse and a logical paper plan for phasing in prohibition, Manchukuo's prospects for success at the outset of the ten-year program in 1938 seemed at least as promising as Nationalist China's four years before, when the Kuomintang launched a "six-year suppression plan." But by the end of 1942, the half-way
point of the ten-year plan, Manchukuo's prohibition effort was failing at almost all levels.

First, the addict registration drive had made little subsequent progress after an initial burst of activity in 1938. At the end of 1938, when the registration drive was supposed to have ended, there were 600,000 addicts on government rosters. That figure, however, remained almost static through 1941, indicating either that no addicts had quit or died within the intervening three years, or that the authorities were leaving registration open-ended. At the same time, the medical treatment of drug addicts, while impressive in terms of gross numbers (189 treatment centers established throughout Manchukuo and 300,000 addicts "cured" between 1938 and 1942), was largely a failure as most addicts immediately relapsed.

The government's assumption of control over retail sales, initiated in 1940, backfired when the official opium shops opened with insufficient stocks on hand. As a result, the daily opium ration was reduced eventually to one gram per person per day; but because the average daily requirement for opium smokers was estimated just over two grams, even registered addicts were forced to supplement their ration with bootlegged opium. Registered and unregistered addicts together were consuming roughly 500,000 kilograms of the illicit product per year.
The most persistent weakness of opium control in Manchukuo was the failure of the authorities to get a firm grasp on production. At least part of the fault lay with the regime, which instituted new collection methods in 1938. Up to that point, the purchase of the annual poppy harvest had been carried out at the local level by government-licensed private agents, but in 1938 the collection of opium production was entrusted to local agricultural cooperatives. Due to the low rate of commission paid by the government and the inexperience of the cooperatives the amount of domestic opium production turned over to the government actually dropped from roughly 50 percent of Manchukuo's total production in 1938 to 25 percent in 1941.62 Desperate to raise gross collection figures, local authorities in the producing areas lifted restrictions on poppy cultivation. This expedient only exacerbated smuggling to northern China, where inflation on the Peking market and the constant demand for raw opium for narcotics production kept prices high.63

With, at best, only partial control over the local opium and narcotics trade, the Manchukuo authorities were caught in a seemingly unbreakable cycle: as a large number of addicts continued to evade registration, demand and consumption of bootlegged opium remained high; demand insured high prices on the underground market, thus
diverting more opium production from delivery to the
government; with less opium available to sell to registered
addicts, the authorities were forced either to raise the
retail price, or to reduce the daily ration; both measures
caused more addicts to shun the officially-supplied product
in favor of cheaper and more plentiful bootlegged opium.

Wartime Self-Sufficiency in Japan

Ever since the sudden leap in drug prices during
the First World War, the Japanese government had followed
consistent policy of encouraging domestic pharmaceutical
production, though the nature of that encouragement changed
over time. During the First World War, it meant allowing
private manufacturers access to raw opium for narcotics
production and assisting Japanese farmers in growing
poppies. During the 1920s, it meant turning a blind eye
to the more dubious activities of manufacturers like Hoshi
Hajime and Taishō Pharmaceutical, and also resisting the
efforts of other narcotics-producing nations to limit
production. 64

By the 1930s Japan was one of the world's top drug
producers. In 1935, Japanese companies accounted for
approximately 3 tons, or 10 percent of the world's total
supply of morphine, and 37 percent of total heroin
production. 65 While industrial capacity was more than
sufficient to meet Japan's domestic requirements, access to raw materials was once again a source of concern. As the price of opium on the international market fell during the 1920s, the Japanese government resumed large-scale importation from Persia and Turkey, and domestic poppy farming once again declined due to low official compensation rates. Consequently, imports were accounting for as much as 60 percent of the domestic supply by the early 1930s.66

The initiation of hostilities with China in 1937 placed an unexpected strain on the supply of opium-based medicines, underscoring the necessity of securing a reliable source of raw materials. As casualties from the China campaign mounted, the military's demand for painkillers eventually caused Japan's total national requirements to triple, with the military accounting for over 60 percent of total domestic consumption.67 After the war in Europe broke out in 1939, the opium supply situation became even more critical, as Japan found itself increasingly cut off from sources in Turkey and Iran.68

By the time of the outbreak of the war in the Pacific, the Japanese government was scrambling to maintain a supply of opium sufficient to meet domestic medicinal needs. Turning to the continent, the Welfare Ministry (Kōseishō) first considered Korea, only to find that
production there was being strained to the limit by exports to Manchukuo. Nor was Manchukuo able to provide much assistance, as huge domestic consumption and uncontrolled smuggling had created a chronic shortage. The final possibility was Inner Mongolia, which was becoming a panacea for Japanese opium planners when faced with shortages. Although Japan imported nearly 30,000 kilograms of the Mongolian product in 1942, the arrangement was cancelled after one year due to the high cost and low quality of the opium.

Thus, forced by circumstances into self-sufficiency, the authorities again turned to the Osaka area, the center of the opium industry in Japan since the Tokugawa period. Despite the efforts of the government to stimulate domestic production by raising the official compensation rate, distributing free seeds, and even assigning compulsory poppy acreage, Japanese farmers were able to supply only about 50 percent of the total national requirement for raw opium during the war. Ironically, if it had not been for the end of the war, Japan, which was occupying one of the world's major opium-producing regions, would itself have soon suffered a critical opium shortage.
CHAPTER VII

EPILOGUE AND CONCLUSION

Epilogue: The End of the Opium Empire

With Japan's acceptance of the Potsdam Declaration on 15 August 1945, the war in the Pacific was officially brought to a close, and the long process of dismantling the Japanese empire could begin in earnest. Although the Allies had already reconquered much of the territory in Southeast Asia and the Pacific lost during the early days of the war, Japanese military forces continued to occupy Taiwan, Korea, and large portions of China. Removing those troops and replacing them with Allied occupation forces was to prove a time-consuming and often delicate task, especially in China, where the Nationalists and Communists were already fighting the first skirmishes of their final showdown for power.

The opium empire in East Asia lingered after the Japanese empire itself had faded away. In Taiwan, where there were still approximately 8,000 addicts at the beginning of the war, the Government-General instituted a stepped-up compulsory treatment plan in 1942 with the goal of eliminating opium smoking from the island colony
within five years. The effort was supervised by the dedicated Taiwanese physician Tu Tsung-ming, who continued his work with addicts at the Taihoku Rehabilitation Institute after the Japanese surrender and occupation of Taiwan by Kuomintang forces in October 1945. On 10 June 1946, the Tu's last patient, a 26 year-old female narcotics addict, was discharged from the treatment center. Writing in 1895, Goto Shinpei had predicted that the elimination of opium smoking on Taiwan by gradual suppression would take up to fifty years. His prediction proved uncannily accurate.

On the continent, the end of the opium empire was not as neat. An edict from the American occupation force provided a terse epitaph for the twenty-five year history of opium production in Korea under Japanese colonial rule: "Planting of poppy seeds was forbidden and farmers were urged to plant grains . . . in their stead." It is unclear, however, whether or not the occupation authorities were able to enforce the edict thoroughly, especially in the remote mountain fastness along the border with Manchuria, where the Government-General had failed to check large-scale smuggling despite its otherwise iron grip on the Korean peninsula.

Opium control in postwar China proved, if anything, more tenuous. The Japanese-sponsored regimes promptly
evaporated with the surrender of their patron, but the chaos and devastation of civil war immediately after eight years of war with Japan insured the continued existence of large-scale opium and narcotics trafficking in China. Not until the establishment of the People's Republic of China in 1949 could prohibition be addressed in earnest. Although U.S. officials in the 1950s were to demonize the PRC as the world's major source of illicit narcotics (much as they had demonized Japan in the 1930s), in reality, the communist regime seems to have been largely successful in its attempts to eliminate the opium and narcotics traffic. Most likely, this was achieved through draconian measures, ruthlessly enforced at the local level.

In Japan, the Supreme Commander for the Allied Powers (SCAP) moved quickly to impose centralized control over the nation's narcotics stocks. On 15 October 1945 SCAP issued a directive ordering all dealers in narcotics to submit detailed reports on all drug transactions. Poppy farming was forbidden, as was the export of narcotics. SCAP authorization was required to import drugs. In 1948 Japan adopted a new narcotics law, with centralized control administered by the Welfare Ministry.

The prohibition of poppy cultivation in Japan brought an end to the long career of the "opium king" Nitan'osa Otozo. When the Japanese government began to show a renewed
interest in domestic opium production during the 1930s, Nitan'osa once again lent his expertise to improving poppy harvests. The opium king also made several trips to the continent during the 1930s to advise the Manchukuo government, and in 1943, he travelled to Inner Mongolia at the request of the local regime. After the war, Nitan'osa was briefly investigated by the occupation authorities as a suspected war criminal, but he was not indicted. In 1950 he passed away at the age of 75.5

The investigation into Nitan'osa Otozō's activities on the continent was part of larger effort on the part of the occupation authorities to link the opium and narcotics trade to Japanese war crimes, and indeed, the drug traffic figured prominently during the deliberations of the International Military Tribunal for the Far East (IMTFE). As a part of Group One of the indictment, the drug traffic was considered within the broader context of Japan's conspiracy to wage aggressive war in China. The indictment read, in part:

... successive Japanese governments ... pursued a systematic policy of weakening the native inhabitants will to resist ... by directly and indirectly encouraging the increased production and importation of opium and other narcotics and by promoting the sale and consumption of such drugs among such people. At the same time, the Japanese Government ... professed to the world to be cooperating ... in the enforcement of treaties governing the traffic in opium and other narcotics to which she was a party.6
The principal scapegoat in the opium and narcotics portion of the IMTFE was Hoshino Naoki, the guiding force behind the establishment of the Manchukuo opium monopoly and the implementation of the ten-year suppression plan. Although defense witnesses Nanba Tsunekazu, head of the Manchukuo monopoly bureau from 1933 to 1937, and Takakura Tadashi, who had drafted the ten-year plan at Hoshino's behest, testified that the Manchukuo authorities had sincerely endeavored to curtail the opium trade, the prosecution flourished Hoshino's contract for the thirty million-yen bond subscription in rebuttal. The prosecution asserted that the document was decisive proof of an intent to promote, rather than suppress, opium use in Manchukuo. 7

In the judgement of the IMTFE there was no room for doubt as to Japan's guilt in conspiring to promote the drug traffic in China. In Manchuria, Japan had sanctioned the traffic to finance her operations and to weaken the power of resistance of the Chinese people; the monopoly, behind an elaborate screen of laws and ordinances, was the means for accomplishing that purpose. The pattern was then repeated by the Japanese army, operating behind puppet regimes in northern and central China. The judgement further concluded that "far more sinister than even the debauchery of the Chinese people," was Japan's plan to carry on a world-wide drug trade from
occupied China, citing as proof Russell Pasha's statement at the 1937 OAC session that Japan was responsible for 90 percent of the world's illicit narcotics. 8

Not all of those who had been connected with Japan's opium empire fared as badly with the occupation authorities as Nitan'osa and Hoshino. Hoshi Hajime, a free-wheeling entrepreneur during the Taishō period, metamorphosed into a nationalist during the late 1930s and fulfilled a long-standing ambition by re-entering the Lower House of the Diet in 1937. 9 After the war, the versatile Hoshi returned to his former "American" ways, and was rewarded with a seat in the Upper House of the Diet in 1948. Ironically, he died in Los Angeles while en route to South America to inspect his cocaine plantation in Peru. 10 Whether or not Hoshi was planning a business comeback was rendered moot by his death.

Conclusion

At first glance, opium and narcotics would seem to have little relevance to the history of Japan, in light of that nation's long and successful effort to prevent the spread of drug abuse to its shores. And yet, from 1895 to 1945 the opium and narcotics trade permeated Japanese history somewhat like opium smoke: not necessarily conspicuous, but detectable nevertheless.
Actually, opium has a long history in Japan, dating back to the introduction of the poppy during the Ashikaga period. By the Tokugawa period, the medicinal value of opium was widely appreciated in Japan, but opium smoking was strictly prohibited by the Shogunate. Fearing that the Western imperial powers would spread opium smoking to Japanese shores, the Shogunate was able to maintain its prohibition policy through treaty provisions forbidding Western merchants from bringing the drug to Japan. The Meiji government further strengthened domestic control by promulgating strict laws against smoking and by establishing a monopoly over the medicinal opium trade. In this way Japan avoided the fate of China, which was virtually wallowing in opium by the end of the nineteenth century.

The Japanese colonial governments varied somewhat in their approach to opium control. On Taiwan, where the prevalence of opium smoking led the colonial authorities to consider prohibition impractical, the government instituted a dual policy of legalized consumption by officially-licensed addicts and a monopoly over opium distribution. The goal of this system, which was one of many experiments in colonial administration conducted on Taiwan by Goto Shinpei, was to gradually reduce the number of addicts, not to promote opium use. In retrospect,
although the Taiwan opium system was far from perfect, it was at least as well-run as the opium systems of the European colonial powers in Asia. Colonial officials in Korea also established a government opium monopoly, but it was a monopoly over the production of opium rather than its distribution. With characteristic indifference toward the welfare of the Korean people, the Japanese authorities ignored the spread of morphine addiction until 1929, when drug abuse began to be perceived as a threat to order in Korea.

Japan's rapid emergence as a major producer of narcotics was largely a response to the international shortage of medicinal drugs during World War One. As the government encouraged national self-sufficiency by loosening opium and narcotics control regulations, Japanese entrepreneurs such as Hoshi Hajime responded by building a major industry in pharmaceuticals. By 1918 Japanese manufacturers were producing more than enough morphine, heroin, and cocaine to meet the nation's medicinal needs.

The sudden surge in narcotics production, however, created a huge surplus at the end of World War One. Taking advantage of official laxity in enforcing drug control, Japanese manufacturers, like their counterparts in Europe and the United States, found a lucrative market for wartime surpluses in China. Narcotics from Japan were introduced
into China primarily through Japanese-controlled territorial enclaves in Manchuria and northern China.

By the early 1920s the manifest involvement of Japanese nationals and drugs in the traffic in China was becoming a serious embarrassment to Tokyo. As an active participant in the international narcotics control movement since its inception at the Shanghai Conference in 1909, the Japanese government found itself increasingly hard-pressed to defend its failure to control the drug traffic to China. This problem was vividly highlighted at the annual meetings of the Opium Advisory Committee, the principal drug control organ of the League of Nations, where Japanese representatives were subjected to often harsh criticism over their government's failure to control smuggling. Nevertheless, Tokyo remained unwilling to restrict domestic narcotics production out of fear of driving up medicine prices, and was unable, when it did attempt opium reforms, to force the compliance of recalcitrant bureaucracies.

Tokyo's lack of authority over the Japanese military in China culminated in the Kwantung Army's unilateral decision to invade Manchuria in 1931. Establishing the client Manchukuo regime, the Japanese military, following in the footsteps of Ch'ing officials and warlords, turned to the region's thriving opium trade for revenue. However,
civil officials dispatched from Tokyo at the behest of the army to devise and operate an opium monopoly came to realize that opium, though attractive in the short-term as revenue, was in the long run an economic burden. As a result, the Manchukuo regime announced in 1937 a plan to eliminate opium within ten years. Nevertheless, members of the Opium Advisory Committee, skeptical of the Manchurian regime's sincerity, continued to regard the Manchukuo monopoly as one of the world's major sources of illicit drugs.

With the initiation of hostilities in China in 1937, followed by the war in the Pacific in 1941, the Japanese empire reached a peak of territorial expansion. In Inner Mongolia, Manchukuo, and Korea, Japan possessed one of the world's major opium-producing regions, and in occupied China and Manchukuo, one of the world's major markets for opium and narcotics. Initially, the Japanese army attempted to take advantage of this situation by "advising" its client regimes in China and Inner Mongolia to begin generating revenue from a variety of opium taxes. However, the extreme feebleness of the Japanese-sponsored regimes and the Japanese army's own failure to establish thorough control over the territories under occupation ensured that only a fraction of the regional opium trade was coming under the purview of tax collectors.
With the creation of the Kōain in 1938 the Japanese government attempted to coordinate and centralize its far-flung and unwieldy domain on the continent. Almost immediately, Kōain planners set to work attempting to reorganize the regional opium trade to better suit the needs of the "New Order in East Asia." At first local opium production was to be encouraged as much as possible, which was consistent within the overall context of the policy to achieve regional self-sufficiency, and not the conclusive proof of a conspiracy to debauch the local inhabitants, as prosecutors at the Tokyo War Crimes Trial charged. Ultimately, Inner Mongolia was to become the region's opium "breadbasket," supplying even the centralized monopoly system envisioned for Southeast Asia.

The realities of the situation in the occupied territories of China and Southeast Asia, however, revealed the futility of plans to rationalize opium supply and demand in Asia. Due to incomplete control over the occupied territories, the Japanese-run supply and distribution system was unable to supplant existing smuggling networks, and therefore, was forced to compete with the "illicit" traffic. Figures on the collection of poppy harvests in places like Jehol and the sale of officially-supplied opium in northern China suggest that the forces for the "New Order in East Asia" fared badly in the contest. Even
attempts to subsume the illicit traffic into official service failed, as illustrated by the lack of enthusiasm for the officially-supplied product shown by the northern China opium merchants' syndicate. Meanwhile, in the occupied territories of Southeast Asia the bankruptcy of Japanese planning necessitated the preservation of the existing European colonial monopoly systems.

Can one, therefore, explain away Japan's fifty-year connection with the opium and narcotics trade as a long-range conspiracy to debauch and weaken the people of Asia in order to facilitate Japanese plans for conquest? If one concludes, as did the IMTFE, that Japanese imperialism was a continuum consciously moving toward the ultimate goal of the subjugation of Asia, then the answer is yes. If, on the other hand, one perceives Japanese imperialism as an inherently complex and often contradictory process, then, by extension, so too was Japan's involvement with opium and narcotics.
NOTES

CHAPTER I

1 Jonathan Spence, "Opium Smoking in Ch'ing China," in Conflict and Control in Late Imperial China, ed. Frederic Wakeman and Carolyn Grant (Berkeley: University of California Press, 1975), 154.


5 Koike, Takara no shushi, 1-2; Nitan'ōsa, Keshi saibai, 1-2.

6 Koike, Takara no shushi, 2.

7 Nitan'ōsa, Keshi saibai, 2; Koike, Takara no shushi, 5; Fujitaka, Keshi saibai tebiki, 2.

8 Although Dutch reports on the Opium War were kept secret by the Shogunate, Chinese accounts did manage to find their way to the literate Japanese public. In 1849, Japanese author Mineta Fukō published a semi-fictional history of the Opium War based on Chinese sources, which ably conveyed a sense of the deleterious effects of opium smoking in China despite inaccuracy in matters of detail. Bob Tadashi Wakabayashi, "Opium, Expulsion, Sovereignty: China's Lessons for Bakumatsu Japan," Monumenta Nipponica, 47 (Spring 1992): 6-7.

10. Ibid., 162.

11. Ibid., 163.

12. Ibid., 164. The statements of Harris are summarized in Sato, "Kindai Nihon (jo)," 14.


14. Ibid.

15. Ryū Meishu, *Taiwan tōchi to ahen mondai* [Rule over Taiwan and the opium problem] (Tokyo: Yamagawa shuppansha, 1983), 18; Sato, "Kindai Nihon (jo)," 15-16. Actually, the first agreement between Japan and a Western power to make mention of opium prohibition was the Dutch supplementary treaty of 1857. However, that treaty merely contained a clause stating that opium was prohibited in Japan, without any specific provisions for enforcement.


20. "Control of Opium in Japan," Report of the Japanese Delegates to the International Opium Commission, Shanghai, 1909, p. 4, Japanese Foreign Ministry Archives (hereafter JFMA), File 2.9.9.23, vol. 1; Sato, "Kindai Nihon (ge)," 25. The most basic criterion for judging the quality of opium is morphine content: generally, the higher the morphine content, the better the opium. Other criteria, especially for smoking opium, include water content, color, aroma, flavor, and texture.

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21 Satō, "Kindai Nihon (ge)," 24-26; Gaimushō, Nihon gaikō bunsho [Documents on Japan's foreign relations], 1878 (Tokyo: Nihon kokusai rengō kyōkai, 1963), 441-442.


23 Satō, "Kindai Nihon (ge)," 26.

24 Naikaku kanpōkyoku, Hōrei zensho, 1878 (Tokyo: Naikaku kanpōkyoku, 1890), 20. The purchase price was to be set according to the quality of the opium and would correspond with international market prices.

25 Ibid., 18-21.

26 Koike, Takara no shushi, 3.


28 Kanpōkyoku, Hōrei zensho, 1878, 20; Koike, Takara no shushi, 4.

29 Koike, Takara no shushi, 4.

30 Naikaku kanpōkyoku, Hōrei zensho, 1897 (Tokyo: Naikaku kanpōkyoku, 1897), hōritsu: 48-50, kokuji: 135-136. When Japan went on the gold standard in 1897, the exchange rate was set at US$ 0.50 per 1 yen. Therefore, 3.50 yen was equal to US$ 7.00.

31 Ryū, Taiwan tōchi, 21; Satō, "Kindai Nihon (ge)," 26.

32 Ryū, Taiwan tōchi, 22; Satō, "Kindai Nihon (ge)," 27.

33 Ryū, Taiwan tōchi, 22; Satō, "Kindai Nihon (ge)," 27.

34 Satō, "Kindai Nihon (ge)," 28.

35 Gaimushō, Nihon gaikō bunsho, 1878, 487-489.

36 Ibid., 491-494.


39 Sato, "Kindai Nihon (ge)," 28-29.

40 Ibid., 30.

41 Sato, "Kindai Nihon (jo)," 14.

42 Araki Masao, ed. *Shinbun ga monogataru Meiji shi* [Meiji history as told by the newspapers] (Tokyo: Hara shobo, 1976), 1:30. The circumstances of the deaths are unclear. They may have been the result of chronic abuse, overdoses, or perhaps suicides.

43 Ibid., 35.


45 Sato, "Kindai Nihon (jo)," 17.

46 Ibid., 18. In 1886, the Japanese government proposed a series of revisions to the 1871 treaty, including a detailed clause on opium prohibition. However, the Chinese government was unenthusiastic about making any treaty revisions, and after nearly three years of fruitless negotiations, the Japanese government completely gave up on the matter of revisions in September 1888.

47 Ibid., 19.

48 Ibid. See also *Gaimushō, Nihon gaikō bunsho*, 1878, 249.


50 Sato, "Kindai Nihon (jo)," 21.

51 Ibid., 21-22.
NOTES
CHAPTER II

1 As quoted in Ryu Meishu, Taiwan tochi to ahen mondai (Tokyo: Yamagawa shuppansha 1983), 36.
2 Ryū, Taiwan tochi, 6.
3 Mori Hisao, "Taiwan ahen shobun mondai" [The opium management problem on Taiwan], Ajia keizai 19 (November 1978): 4-5; Ryū, Taiwan tochi, 4-6.
4 Ryū, Taiwan tochi, 7; See also Jonathan Spence, "Opium Smoking in Ch'ing China," 147-148.
5 Ryū, Taiwan tochi, 8.
7 Matsushita Yoshisaburō, comp., Taiwan ahen shi [Official record of opium on Taiwan] (Taihoku: Taiwan sōtokufu senbaikyoku, 1926), 8-9. See also Mori, "Taiwan ahen," 5; Ryū, Taiwan tochi, 9. Given that the weight of the catty was fixed at 1.3 pounds avoirdupois for tariff purposes, 400,000 catties would equal 520,000 pounds, or 234,000 kilograms. From 1864 to 1880, most of the opium came from Persia and India, and from 1881 to 1895 Persian opium dominated the Taiwan market.
8 Mori, "Taiwan ahen," 5.
9 Ibid., 6.
10 Davidson, Formosa, 243-251.
12 Davidson, Formosa, 364-365.
13 Matsushita, Ahen shi, 27. The same decree also mandated the death penalty for acts of armed resistance against the Japanese army, which indicates how seriously the authorities regarded the opium threat.

14 Shimada Saburō, "Taiwan ron" [The Taiwan question], Taiyō 1 (September 1895): 4-5. Also quoted in Sha Shunmoku, Taiwanjin no yōkyū: Minshūtō no hatten katei o tsūjite [The demands of the Taiwanese people: Through the course of the development of the People's Party] (Taihoku: Shinminposha, 1931), 159-161.

15 For the complete text of Kato's memorandum, see Matsushita, Ahen shi, 30-33. The memorandum is either quoted or paraphrased in the following: Ryū, Taiwan tōchi, 46; Ryū, "Nihon no ahen seisaku to Taiwan zaisei [Japan's opium policy and Taiwan's finances], Nihon rekishi, no. 372 (May 1979): 76; Mori, "Taiwan ahen," 9; Kaku Sagatarō, "Taiwan no ahen seido ni tsuite" [Concerning Taiwan's opium system], in Kikuchi Toraji, et al., Ahen mondai no kenkyū [Studies on the opium problem] (Tokyo: Kokusai renmei kyōkai, 1928), 78.

16 Ryū, Taiwan tōchi, 39.

17 Mantetsu keizai chōsakai dai-go-bu, "Taiwan ahen seido chōsa hōkoku" [Report on the investigation of Taiwan's opium system], June 1932, p. 4, Shakai Kagaku Kenkyūjo, Tokyo University; Kaku, "Taiwan no ahen," 74-78; Ryū, Taiwan tōchi, 48; Matsushita, Ahen shi, 29.

18 Mantetsu, "Taiwan ahen seido," 4; Ryū, Taiwan tōchi, 48-49; Matsushita, Ahen shi, 30.

19 Mantetsu, "Taiwan ahen seido," 5; Matsushita, Ahen shi, 30. Presided over by the prime minister, the Taiwan Affairs Bureau was charged with the oversight of the administration of Taiwan. It also acted as a liaison between the government in Tokyo and the Government-General of Taiwan.

20 Matsushita, Ahen shi, 28; Sha, Taiwanjin, 154; Ryū, Taiwan tōchi, 47; Mori, "Taiwan ahen," 7; Mantetsu, "Taiwan ahen seido," 3.
Several days after Kabayama issued the decree, the Government-General's chief of staff circulated an internal memorandum among government officials indicating that for the time being, violations of the strict prohibition decree would have to be overlooked.

Mizuno averred in 1898 that not even one Japanese had been caught smoking opium. He attributed the lack of interest in opium smoking to the fact that it was incompatible with alcohol, the intoxicant of choice among the Japanese. Other explanations offered were that: 1) the Japanese who went to Taiwan were warned of the dangers of opium, 2) the strong odor of opium smoke was repellent, 3) opium was too expensive, and 4) the Japanese did not wish to imitate the habits of the despised Taiwanese.


For the complete text of Goto's memorandum, see Matsushita, Ahen shi, 34-38. A condensed version can be found in Kaku Sagatarō, "Nihon teikoku no ahen seisaku" [The opium policy of the Japanese Empire], in Ahen mondai no kenkyū, 145-147.

Matsushita, Ahen shi, 35. Quoted in Ryū, Taiwan tōchi, 52; Ryū, "Ahen seisaku," 78; Sha, Taiwanjin, 164.

Matsushita, Ahen shi, 34-36; Kaku, "Teikoku ahen," 145.

Matsushita, Ahen shi, 37-38; Kaku, "Teikoku ahen," 146-147; Ryū, Taiwan tōchi, 52-53.

Matsushita, Ahen shi, 42-43. Kabayama, somewhat at a loss on how to proceed, solicited Gotō's advice via the latter's immediate superior, the Home Minister. On 30 March 1896, Kabayama received a second memorandum from Gotō detailing how to implement the opium monopoly system. For the complete text of Gotō's second memorandum, see Matsushita, Ahen shi, 44-51; Mantetsu, "Taiwan ahen seido," 7-19.
Given the primitive state of addict treatment at the time (usually the withdrawal method, or variations thereof), the authorities were probably relying more on the latter to reduce the addict population.

For the complete text of the Taiwan Opium Law of 1897, see Mantetsu, "Taiwan ahen seido," 24-27.

Ryū, Taiwan tōchi, 86-89; Mantetsu, "Taiwan ahen seido," 85-87.

Taiwan sōtokufu keimukyoku, Taiwan eisei yōran [A survey of hygiene on Taiwan] (Taihoku: Taiwan sōtokufu keimukyoku), 410-402; Taiwan sōtokufu keimukyoku eiseika, Taiwan ni okeru ahen seido no genkō [The present state of the opium system on Taiwan] (Taihoku: Taiwan sōtokufu keimukyoku eiseika, 1930), 2; Ryū, Taiwan tōchi, 89.

Mantetsu, "Taiwan ahen seido," 87-88; Ryū, Taiwan tōchi, 86-89.

Ryū, Taiwan tōchi, 90, 92-93; Mantetsu "Taiwan ahen seido," 88; Keimukyoku, Taiwan eisei, 402. Kaku puts the figure at 165,752 addicts registered at the end 1900. Kaku, "Taiwan no ahen," 90.

Ryū, Taiwan tōchi, 89-93; Mantetsu, "Taiwan ahen seido," 88-90; Kaku, "Taiwan no ahen," 91-94; Keimukyoku, Taiwan eisei, 402-403.

Sha, Taiwanjin, 188-189.


For the text of the Opium Law of 1928, see Mantetsu, "Taiwan ahen seido," 30-49.

Under the Opium Law of 1897, unlicensed smoking was punishable by up to three years of imprisonment at hard labor or a fine of up to 2,000 yen. However, the authorities usually preferred to levy a fine, which was considered an inadequate deterrent. Sha, Taiwanjin, 192-193.

Sha, Taiwanjin, 205-207. See also Ryū, Taiwan tōchi, 157-174.

Sha, Taiwanjin, 211-213.
42 Shinminkai, Taiwan ahen mondai [The opium problem on Taiwan] (Tokyo: Shinminkai, 1930), 35-36; Sha, Taiwanjin, 213-215.

43 Namely, the Commission of Enquiry into the Control of Opium-Smoking in the Far East, which visited Taiwan during an inspection tour of Asia.

44 Reportedly, the addict registration and licensing drive was facilitated by the fact most unlicensed opium smokers were already known to the police, who then merely had visit the homes of potential applicants and exercise their powers of persuasion. See Sha, Taiwanjin, 202-203.

45 Ryū, Taiwan tōchi, 199-200.

46 Mantetsu, "Taiwan ahen seido," 108; Ryū, Taiwan tōchi, 197-198; Taiwan sōtokufu keimukyoku eiseika, "Taiwan ahen inja no kyōsei" [The reform of opium addicts on Taiwan], July 1931, in Gendai shi shiryo [Documents on modern history], vol. 12, Ahen mondai [The opium problem, hereafter cited as Ahen mondai] (Tokyo: Misuzu shobō, 1986), 59-60.

47 Any advances in addict treatment on Taiwan were due to the almost singlehanded efforts of the Taiwanese physician Tu Tsung-ming. Appointed chief physician of the Taihoku Rehabilitation Institute in 1930, Tu quickly distinguished himself by his research on the physiological effects of opium on addicts. For more on the work of Tu Tsung-ming, see Ryū, Taiwan tōchi, 155-229 passim; Eiseika, "Taiwan ahen inja," 61-62.

48 Matsushita, Ahen shi, 37-38; Ryū, Taiwan tōchi, 53; Mori, "Taiwan ahen," 11.

49 Mantetsu, "Taiwan ahen seido," 181-187; Kaku, "Taiwan no ahen," 71. In 1898, the Seiyakujo carried out a small-scale poppy test planting, and the results were encouraging enough to attempt a large-scale test planting in 1901. However, recurrent damage from wind, rain, and insects during the harvesting season convinced the authorities to abandon the project in 1904. In 1917 the Government-General resumed test planting, and also commissioned Mitsui to carry out poppy cultivation. Both projects were cancelled in 1921 due to high production costs.

50 Keimukyoku, Taiwan eisei, 57; Ryū, Taiwan tōchi, 70.

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51 For a detailed discussion of the Government-General's handling of private opium merchants, see Ryū, Taiwan tochi, 61-79.

52 Matsushita, Ahen shi, 160-161.

53 Mori, "Taiwan ahen," 14; Keimukyoku, Taiwan eisei, 400. Seiyakujo can also mean "pharmacy." The authorities designated the new organization with the euphemistic title of Medicine Manufacturing Bureau because, in official thinking, opium smoking paste was a medicine for patients suffering from addiction. Ryū, Taiwan tochi, note 5, 84.

54 Ryū, Taiwan tochi, 75.

55 Ibid. The most common additive was wheat flour, which made for a smoother-smoking opium paste.


57 Matsushita, Ahen shi, 160.

58 Ryū, Taiwan tochi, 75.

59 Mantetsu, "Taiwan ahen seido," 29; Keimukyoku, Taiwan eisei, 400; Keimukyoku eiseika, Taiwan ahen seido genkyō, 10-11, 17.

60 Mantetsu, "Taiwan ahen seido," 66-74; Ryū, Taiwan tochi, 95-102; Kaku, "Teikoku ahen," 151-153; Keimukyoku eiseika, Taiwan ahen seido genkyō, 12. As the system was originally devised, there was to be one licensed wholesaler in every police district, and one retailer for every forty-five licensed opium smokers. Government-General figures from 1897 onward indicate that the number of wholesalers remained at a constant of approximately sixty persons, while the number of licensed retailers showed a decline reflecting the decline in the number of smokers, from a peak of over three thousand in 1899 to under five hundred in 1926.

61 Kaku, "Teikoku ahen," 149-150; Mantetsu, "Taiwan ahen seido," 71-74. Originally, the Government-General's plan was to use Indian opium in its first-class paste, Persian opium in the second-class product, and either Persian or Chinese in third-class paste. In May 1910, the production of second-class smoking paste was halted. Third-class paste production was discontinued after 1918.
62 Mantetsu, "Taiwan ahen seido," 77.
63 Originally, wholesalers received a 1.5 percent commission on sales, which was then lowered to 1.3 percent in 1915. Retailers received a 10 percent commission.
64 Ryū, Taiwan tochi, 99-102.
65 Ibid. For more on the goyō shinshi, see Sha, Taiwanjin, 183-184.
66 For details on the Taiwan-Kwantung arrangement of 1906, see chapter 3.
67 Matsushita, Ahen shi, 192-193. Morphine content had been the sole criterion for judging Persian opium, but its inconsistency necessitated stricter standards. On the other hand, Indian opium, as a government monopoly product, was of uniform quality.
68 Matsushita, Ahen shi, 193-194. On 2 August 1905, the Monopoly Bureau ordered Nakamura Limited of Osaka, a tobacco purchaser for the Japanese government monopoly with a branch office in Constantinople, to begin buying raw opium on the local market. However, Nakamura proved unsatisfactory, so the Monopoly Bureau designated Samuel and Samuel as its Turkish opium buyer in 1910.
69 The Monopoly Bureau also generated revenue from opium sales to Tsingtao and Macao during the First World War, as well as from the sale of crude morphine to Japanese pharmaceutical companies. See chapter 3.
70 Nishigame Sankei, "Mayakurui no ran'yō bōshi no shisetsu" [Facilities for the prevention of drug abuse], in Chōsen sōran [Rule over Korea], ed. Chōsen sōtokufu (Keijō: Chōsen sōtokufu, 1933), 751; Aoyagi Tsunatarō, Chosen tochī ron [Treatise on rule over Korea] (Keijō: Chōsen kenkyūkai, 1923), 775; Chōsen sōtokufu senbaikyoku, Chosen senbaishi [The history of monopolies in Korea] (Keijō: Chōsen sōtokufu senbaikyoku, 1936), 3:479.
71 Nishigame, "Mayakurui no ran'yō," 751.
72 Nakamura Shingo, Chōsen shisei hatten shi [The history of the development of government in Korea] (Keijō: Chōsen hattensha, 1936), 603; Chōsen sōtokufu keimukyoku, Chōsen keisatsu gaiyō [Outline of the Korean police] (Keijō: Chōsen sōtokufu keimukyoku, 1931), 114; Aoyagi, Chōsen tochi, 775; Senbaikyoku, Senbai shi, 3:479.
73 Nishigame, "Mayakurui no ran'yō," 751; Senbaikyoku, Senbai shi, 3:479; Aoyagi, Chosen tochi, 775.

74 Aoyagi, Chosen tochi, 775; Senbaikyoku, Senbai shi, 3:479; Keimukyoku, Chosen keisatsu, 114. The use of the term "semi-compulsory" in connection with the Japanese police in Korea is certainly novel.

75 Nishigame, "Mayakurui no ran'yō," 753.


78 For a description of the Opium Law of 1919, see pp. 59-60 below.

79 For the complete text of the regulations for the control of morphine, cocaine, and their salts, see Senbaikyoku, Senbai shi, 3:503-505.

80 Nishigame, "Mayakurui no ran'yō," 756.

81 Ibid. Most smuggled narcotics originated in Osaka.

82 British Foreign Office, The Opium Trade (Dover Del.: Scholarly Resources, Inc., 1974), 4:XV, January-June 1921, no. 126 enclosure; Chosen sotokufu keimukyoku toshoka, Genbun shinbun sashiosae kiji shūroku [Collection of censored newspaper articles] (Keijō: Chōsen sōtokufu keimukyoku, 1932), 1:201.

83 Kikuchi Toraji, "Ahen gaidoku undo ni kansuru iken" [An opinion concerning the movement of the opium blight], in Ahen mondai no kenkyū, 9.


85 Nishigame, "Mayakurui no ran'yō," 753-754.
Mayaku chūdokusha kyūgokai, Nenpō [Yearbook (of the Society for the Relief of Drug Addicts)], 1938 (Tokyo: Mayaku chūdokusha kyūgokai, 1939), 1, 10. Although there were no national statistics on the number of Korean drug addicts in Japan, an investigation by the municipal government in 1929 revealed a total of 3,700 in Osaka. In 1932, a similar investigation by the Tokyo municipal authorities estimated that 3,000 out of a total of 34,000 Korean residents of that city were addicts.

Chōsen sōtokufu, Shisei sanjū-nen shi [The history of thirty years of government] (Keijo: Chōsen sōtokufu, 1940), 217; Senbaikyoku, Senbai shi, 3:513-515.

Kurumada Atsushi, Chōsen keisatsu-hō ron [Treatise on the police laws of Korea] (Keijo: Chōsen hosei kenkyukai, 1931), 253-254; Mantetsu, "Chōsen ahen mayaku," 23; Nishigame, "Mayakurui no ran'yo," 757. Two treatment methods were employed: gradual withdrawal, and a method discovered in 1926 by Suo Masasue, then chief of the Hygiene Bureau of Keiki Province. The Suo Method, which involved the use of a drug called "anchimoru" (Western-language equivalent not provided) in the treatment process, was reportedly highly effective and much quicker than gradual withdrawal. Tazawa Shingo, ed., Ahen shiryō, 50.

Mantetsu, "Chōsen ahen mayaku," 23. However, in 1927 the Government-General began to make an annual budget appropriation of twenty thousand yen for the maintenance of treatment centers in the five provinces with the most addicts. Beginning in 1931, the annual appropriation was increased to thirty thousand yen. Sōtokufu, Shisei sanjū-nen, 217; Nishigame, "Mayakurui no ran'yo," 757-758.

Nishigame, "Mayakurui no ran'yō," 757. On the lack of thoroughness in carrying out addict registration, see Mantetsu, "Chōsen ahen mayaku," 25-26. Estimates of the number of drug addicts in Korea varied. The official tally was 10,000 to 15,000, while the Japanese Society for the Prevention of Opium Addiction (Ahen gaidoku hōshikai) came up with a much higher total of 70,000 to 100,000. See Nishigame, "Mayakurui no ran'yō," 750.


Ikeda, Chōsen kōseijin, 88-89.

Sōtokufu, Shisei sanjū-nen, 383.
94 Chōsen sōtokufu, Shisei nenpō [Government yearbook], 1941 (Keijō: Chōsen sōtokufu, 1943), 412-413; Sōtokufu, Shisei sanjū-nen 863.

95 Saitō Hiroshi, "Dai-tōa no tokushu shigen (ahen)" [Special resources of Greater East Asia (opium)], September 1943, in Ahen mondai, 23.

96 Senbaikyoku, Senbai shi, 3:483.

97 Takahashi Shin'ichi, "Hoku-Sen no yakugyō" [The medicine business in northern Korea], in Zai-Sen Nihonjin yakugyō kaikō shi [The reminiscences of Japanese druggists in Korea], ed. Kubo Ken (Osaka: Zai-Sen Nihonjin yakugyō kaikō shi hensankai, 1961), 37. The total poppy cultivation area in Korea in 1918 was reported to be 350 chōbu (347 hectares). Senbaikyoku, Senbai shi, 3:481.

98 Mantetsu, "Chōsen ahen mayaku," 3; Aoyagi, Chōsen tōchi, 776; Senbaikyoku, Senbai shi, 3:481-482. Illicit production was especially prevalent in areas of Northern Heian and Northern Kankyō Provinces along the border with China. Zenshō Eisuke, Chōsen keizai to keisatsu [The Korean economy and police] (Keijō: Chōsen sōtokufu, 1930), 155.

99 On the necessity of instituting a more thorough system of opium control, see Aoyagi, Chōsen tōchi, 776; Senbaikyoku, Senbai shi, 3:480.

100 The Government-General's production target was 10,000 kan (37,500 kilograms) of raw opium per year. Mantetsu, "Chōsen ahen mayaku," 3-4. For more on the narcotics self-sufficiency drive, see Senbaikyoku, Senbai shi, 3:482-483.

101 For the complete text of the Opium Law of 1919, see Senbaikyoku, Senbai shi, 3:485-488.

102 Aoyagi, Chōsen tōchi, 776; Mantetsu, "Chōsen ahen mayaku," 5-6; Sōtokufu, Shisei sanjū-nen, 302.

103 Senbaikyoku, Senbai shi, 3:526, 531. The postwar slump in the opium market is reflected in the following statistic: in 1919, the unit price of opium was 20 yen per tan (993 square meters), but in 1920 it had dropped to 6.40 yen. The average from 1921 to 1930 was roughly 8.00 yen. See table 3 for annual production statistics.
Because the Opium Law was enacted after the 1919 planting season, the authorities granted a dispensation to poppy farmers for that year. Opium prices in 1919 continued to ride the wartime boom. Senbaikyoku, Senbai shi, 3:524, 531.

Mantetsu, "Chōsen ahen mayaku," 11; Senbaikyoku, Senbai shi, 3:526. See also table 3.

Mantetsu, "Chōsen ahen mayaku," 8, 11. The authorities encouraged the practice of poppy cultivation on barren and rocky soil, and increased the designated area in the plateau regions of Northern and Southern Kankyo Provinces. Senbaikyoku, Senbai shi, 3:526.

Matsumoto Makoto, "Chōsen ni okeru senbai jigyō no gaiyō" [An overview of monopoly enterprises in Korea], in Chōsen sōran, 877. Senbaikyoku, Senbai shi, 3:515. On Taiwan, too, jurisdiction was divided between the Monopoly and Police Bureaux, but the division remained stable over time, unlike the case of Korea.

Senbaikyoku, Senbai shi, 3:515.

Ibid., 3:495, 515. The transfer of authority to the Police Bureau was probably due to the fact that the drop in production made unnecessary the participation of the Monopoly Bureau in opium control.

Matsumoto, "Chōsen senbai jigyō," 878; Sōtokufu, Shisei sanjū-nen, 163; Senbaikyoku, Senbai shi, 3:515.

For a table listing the division of authority over opium control, see Senbaikyoku, Senbai shi, 3:516-518.


For critiques of opium control at the local level, see Mantetsu, "Chōsen ahen mayaku," 5-8, 11-12. Sensitive to appearances, Keijō instructed local police not to permit poppy cultivation in areas where there were major roadways, or where it could easily be seen by casual passers-by. Nor were they to permit cultivation around police stations, in order to avoid the misperception that the police were encouraging opium production. As the Mantetsu report wryly notes, the instructions "conjure up the image of a policeman standing rigidly at attention in front of the police station, surrounded by poppy flowers in magnificent bloom."

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Concerning the mutual transfer of Government-General of Korea raw opium and Kwantung Government morphine stocks], 17 April 1931, in Mayaku kankei bunsho [Documents related to narcotics], Tōyō Bunka Kenkyūjo, Tokyo University. The morphine content of Korean opium was generally just over 10 percent. In terms of overall quality, it was not up to the level of vintage Indian, Turkish and Persian opium, but instead rated as a respectable vin ordinaire.

Chōsen sōtokufu kōseikyoku eiseika, "1941-nen ahen oyobi mayaku jigyō gaiyō" [Summary of the opium and narcotics business in 1941], Japanese Foreign Ministry Archives (hereafter JFMA), File 2.5.0.1-1. Monopoly Bureau figures show that 2,867 kilograms of raw opium was delivered to Kwantung in 1930, and 2,072 kilograms was delivered in 1931.

Exports of Korean raw opium to Kwantung from 1933 to 1937 broken down by year were as follows: 1933--11,159 kilograms (385,624 yen), 1934--7,502 kilograms (270,093 yen), 1935--7,500 kilograms (280,432 yen), 1936--15,021 kilograms (582,537 yen), 1937--6,702 kilograms (225,371 yen).

Exports to Manchukuo by year from 1933 to 1937 were: 1933--1,899 kilograms (67,510 yen), 1934--6,808 kilograms (256,172 yen), 1935--3,753 kilograms (162,878 yen), 1936--11,283 kilograms (444,326 yen), 1937--17,461 kilograms (679,900 yen).

For the details of the Taishō scandal, see chapter 3.


Ibid., 16.

Kōseikyoku eiseika, "1941-nen ahen oyobi mayaku," JFMA, File 2.5.0.1-1.

Takumu daijin Hara Shūjirō, "Dai-ni gian: Taiwan sōtokufu senbaiyoku sōsei moruhine no shobun ni kansuru ken" [Second measure: Matters concerning the disposal of Government-General of Taiwan Monopoly Bureau crude morphine], 17 April 1931, in Mayaku kankei bunsho.
In 1932, Korea received 293 kilograms of crude morphine from Taiwan in exchange for 1,952 kilograms of raw opium. In 1933, the figures were 534 kilograms and 3,186 kilograms, respectively. The Monopoly Bureau also purchased some crude morphine from Taiwan: 253 kilograms in 1931 and 550 kilograms in 1934.


Japan, Ministry of Foreign Affairs, "Dai-jūik-kai ahen iinkai" [The eleventh opium committee], 16 October 1937, Library of Congress Microfilm, WT Series, Shelf Number 5039, Reel 81.

Andrew J. Grajdanzev, Modern Korea (New York: Institute of Pacific Relations, 1944), 38-41, 212-219 passim.

NOTES

CHAPTER III

1 Nitan'osa Otozo, Keshi saibai oyobi ahen seizō hō (Osaka: Dōzaigō shobo, 1915), 11-12.


3 Nitan'osa, Keshi saibai, 2-3.

4 Ibid., 5-6.

5 Hayashi, "Nihon no ahen o," 189; Nitan'osa, Sensō to ahen, 7-8. Nitan'osa remained a rolling stone throughout his life, and his travels later took him overseas to Korea and China. However, such wanderlust proved a source of consternation to his family, due to his habit of simply leaving home for up to a month at a time without telling anyone where he was going. Nitan'osa, Sensō to ahen, 23.

6 Hayashi, "Nihon no ahen o," 189-190.

7 The young man's passion for the poppy caused his family and neighbors to question his sanity, and once even drove his wife to ask in exasperation, "Which is more important, opium or me?" Nitan'osa laughed heartily at the question--but did not reply. Nitan'osa, Sensō to ahen, 20-26, 56-57.


9 Nitan'osa, Keshi saibai, 8.

10 Nitan'osa, Sensō to ahen, 8.

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Nitan'osa, Senso to ahen, 8. Nitan'osa experimented with poppy strains from India, Egypt, Persia, Russia, and the Ottoman Empire.

Nitan'osa, Senso to ahen, 7-9.

Hayashi, "Nihon no ahen o," 191; Nitan'osa, Senso to ahen, 21.

In 1901-1902, the international market price of Indian Patna opium was 772 dollars (probably Mexican) per 100 kin (60 kilograms), while Indian Benares was 765 dollars and Persian was 515 dollars. Matsushita Yoshisaburō, comp., Taiwan ahen shi (Taihoku: Taiwan sotokufu senbaikyoku, 1926), 197.

In 1905, Patna opium rose to 1023 dollars, Benares to 983 dollars, and Persian climbed to 1106 dollars. The jump in prices may have been a result of increased demand for narcotics during the Russo-Japanese War. Among the substitutes tested by the Taiwan Monopoly Bureau were Turkish and Chinese opium. The former proved satisfactory, but the latter was found to be too inferior to be used for smoking paste. Matsushita, Ahen shi, 193-197.

In addition to the twenty hectares in Fukui, the Taiwan Government-General leased five more in Katsura village, near Kyoto. Nitan'osa was told by a certain official of the Taiwan Monopoly Bureau (possibly Kato Takashi) that the original plan had been to lease nearly 2,000 hectares for poppy planting. Nitan'osa, Keshi saibai, 8; Nitan'osa Senso to ahen, 23.

Matsushita, Ahen shi, 226; Nitan'osa, Keshi saibai, 8; Nitan'osa, Senso to ahen, 23; Hayashi, "Nihon no ahen o," 190. Drawing upon a lesson learned from farmers in the south of Japan, Nitan'osa decided to intercrop poppies with rice: in other words, cultivating the former in the interval between the fall harvest and spring planting of the latter. Despite his devotion to the poppy, Nitan'osa never recommended that farmers should grow it exclusively. Instead, he considered it most valuable as a secondary crop, which would provide farmers with extra income from fields that would otherwise lie fallow during the winter. Hayashi, "Nihon no ahen o," 193; Nitan'osa, Keshi saibai, 2-3; 14-15.

Matsushita, Ahen shi, 227. Although Nitan'osa worked with Indian, Chinese, and domestic poppy seeds, none of them yielded satisfactory results.
Moreover, Goto's appointment as president of the South Manchuria Railway Company in November 1906 deprived Nitan'osa of his contact in the Taiwan government.

When Nitan'osa started out, Japanese opium on average yielded a morphine content of approximately 7 percent. By 1914, he reportedly was producing some poppies with a level as high as 25 percent, though the average was probably in the 10-15 percent range. Hayashi, "Nihon no ahen," 192; Koike Eizaburo, Takara no shushi: Keshi saibai oyobi ahen seizō hō (Tokyo: Shugendo, 1917), 7. See also Naimusho eisei shikensho, Ahen seiseki [Opium results], 1928 (Tokyo: Naimusho eisei shikensho, 1929), table no. 6.

Nitan'osa, Keshi saibai, 9.

The rate of compensation was raised from 1.00 to 2.00 yen per one hundred monme (375 grams) of opium with a 5-6 percent morphine content, and an extra 0.50 yen per percentage point over 6 percent. Opium under 5 percent was purchased by the Home Ministry at a rate of 1.00 yen per one hundred monme. Nitan'osa believed that the higher rates of compensation and faster delivery of fees encouraged more farmers to take up the poppy.


Hoshi Shin'ichi, Jinmin wa yowashi kanri wa tsuyoshi [The people are weak, the officials are strong] (Tokyo: Bungei shunju, 1967), 6. Hoshi Shin'ichi (b. 1926), the son of Hajime, is a popular light essayist and science-fiction writer.

Kamesaka, Who's Who, 1930-1931, 35; Hoshi Jinmin wa yowashi, 6-7.

Hoshi, Jinmin wa yowashi, 7. The health-conscious Hoshi neither drank nor smoked. His one great indulgence in life seems to have been a fondness for steambaths.

Kamesaka, Who's Who, 1930-1931, 35; Hoshi, Jinmin wa yowashi, 8, 13-17; Asahi jinbutsu jiten, 1990, 1436. Having learned in America that it pays to advertise, Hoshi touted his products with eye-catching newspaper ads. His motto was "Medicine is Hoshi" [kusuri wa Hoshi].

29. Ibid., 19-20. Gotō was evidently quite fond of Hoshi, whom he nicknamed "American" on account of the latter's forthright demeanor.

30. Ibid., 21-24. According to his son, Hoshi celebrated that particular brainwave by handing out tips to his employees, an American eccentricity that they found highly disconcerting.


32. Matsushita, Ahen shi, 205-206.

33. Nitan'osa, Keshi saibai, 10-11.

34. Koike, Takara no shushi, 1-2.


37. Kaburagi Shizuo, Ahen ni kansuru hōki no yokai [Essential points of the opium laws and ordinances] (Kawagoe: Nihon yakuzashikai Saitama shibu, 1919), 40.

38. Matsushita, Ahen shi, 228-233. The most opium purchased by the Monopoly Bureau in one year was 716 kin (approximately 430 kilograms) in 1919. As an incentive to Japanese producers, it was purchased at the market price of Persian opium.

39. Kaburagi, Ahen hōki yōkai, 45. The wartime increase in opium output is even more impressive when compared to domestic production in the early years of the century, which averaged 42 kilograms per year from 1899 to 1908. "Control of Opium in Japan," Report of the Japanese Delegates to the International Opium Commission, Shanghai, 1909, p. 27, Japanese Foreign Ministry Archives (hereafter JFMA), File 2.9.9.23, vol. 1.
Nitan'osa, the irrepressible apostle of the poppy, praised its versatility as a cash crop. He recommended that farmers maximize their profits by selling the seeds for use in confections and selling the stalks and stems as fertilizer. In this way, an enterprising agriculturalist could earn up to 100 yen per tanbu (993 square meters) of poppies. Nitan'osa, Keshi saibai, 14.

Kaburagi, Ahen hōki yōkai, 45.

Ibid. Total acreage fell from 329.62 chōbu (327 hectares) in 1916 to 167.33 chōbu (166 hectares) in 1917.

The private organization chaired by Nitan'osa was the Greater Japan Society for the Encouragement of Poppy Cultivation and Opium Production (Dai-Nippon keshi saibai ahen seisō shōrei kai). Nitan'osa, Senso to ahen, 37; Hayashi, Nihon no ahen o, "Nihon no ahen o," 192.

Nitan'osa, Keshi saibai, 11-14.

Hoshi, Jinmin wa yowashi, 62; Yamauchi Saburō, "Mayaku to sensō: Nitchu sensō to himitsu heiki" [Narcotics and war: The Sino-Japanese war and secret weapons], in Gendai shi shiryō, vol. 12, Ahen mondai (hereafter Ahen mondai) (Tokyo: Misuzu shobo, 1986), xliii-xliv. The Home Ministry scientist, a certain Dr. Ishikawa, hit upon the formulae for morphine and heroin in 1915.


Hoshi, for example, was permitted to purchase up to 15,000 pounds of raw opium per annum. Hoshi, Jinmin wa yowashi, 62.

Japan's annual requirements for medicinal drugs were estimated as follows: morphine--2,000-3,000 pounds, heroin--2,000 pounds, cocaine--4,000 pounds. Fujiwara Tetsutarō, "Ahen seido chōsa hōkoku" [Report on a study of opium systems], February 1922, in Ahen mondai, 189; Koike, Takara no shushi, 6.

Although the Japanese government regulated the export of narcotics, there were no quantitative limits on imports. Consequently, private companies could purchase as much morphine, heroin, and cocaine on the international market as they wished. During the war, Britain replaced Germany as Japan's major foreign narcotics supplier.
For example, see British Foreign Office (hereafter FO), The Opium Trade (Dover Del.: Scholarly Resources, Inc., 1974), 5:XVIII, January–June 1922, no. 10, enclosure 1; League of Nations, Advisory Committee on Traffic in Opium and Other Dangerous Drugs, Minutes of the Fifth Session: Held at Geneva from May 24th to June 7th, 1923, C.418.M.184.1923.XI (Geneva, 1923), 73.

The Kwantung Territory, a 3,500-square kilometer area on the southern tip of China's Liaotung Peninsula, was first seized by Japan during the Sino-Japanese War of 1894–1895. As a result of pressure from Russia, France, and Germany, Japan was forced to return the territory to Chinese sovereignty, and immediately afterward Russia leased the territory. In 1905, Russia transferred the leasehold to Japan as part of the Treaty of Portsmouth, which ended the Russo-Japanese War.

The South Manchuria Railway was originally a branch of Russia's Chinese Eastern Railway running north-south from Changch'un to Port Arthur. It was ceded to Japan according to the provisions of the Treaty of Portsmouth.

Takushokukyoku, "Ahen ni kansuru chōsa" [Research concerning opium], n.d., pp. 28–29, Tokyo Toritsu University Library; Kantōcho, Kantōshū ahen oyobi mayaku seido gaiyō [Overview of the opium and narcotics system in the Kwantung Territory] (Dairen: Kantōchō, ca. 1930), 1; Kantōchō eiseika, "Kantōshū ahen oyobi mayaku jijō" [Opium and narcotics conditions in the Kwantung Territory], ca. 1930, p. 3, JFMA, File B.9.9.0.1-18-1, vol. 3. During the Ch'ing period, there was little poppy cultivation in the area that later became the Kwantung Territory. Yingkow and Chefoo were the region's major suppliers.

The opium farm system was employed at one time or another by all of the colonial powers in Asia, who periodically auctioned the monopoly rights to syndicates of Chinese merchants. Advocates of opium prohibition in Asia criticized the farm system on the grounds that it was designed to generate revenue for colonial governments, not to suppress opium smoking by the native population.

Official sources do not explain why the Kwantung authorities awarded the opium farm to Pan; it may have been a reward for services rendered, a la Taiwan's goyō shinshī, or Pan may simply have been the highest bidder. Ishimoto's background is also an enigma. In 1906, even before he joined in partnership with Pan, Ishimoto was dispatched to Taiwan by the negotiate the purchase of Monopoly Bureau smoking paste; at that time, he was identified as an "army interpreter attached to the Kwantung civil government." Matsushita, Ahen shi, 317. For more on Ishimoto, see pp. 94-95 below.

Kantōkyoku, Sanjū-nen shi, 943. Ishimoto and Pan apparently imported most of their opium from Chefoo.

For details on the Shanghai conference, see chapter 4. In 1906, the Ch'ing government concluded an agreement with Britain to terminate the Indian opium trade within ten years; in return, China agreed to eliminate domestic production. Given the failure of past such efforts and the dynasty's advanced state of decrepitude, it came as a great surprise when the Chinese prohibition drive began to show signs of success. British observers dispatched in 1909 to monitor the progress of opium suppression reported that the poppy had been eradicated from a large portion of China. Even after the fall of the Ch'ing in 1911, prohibition continued on a such a positive course that in 1914 the Indian government moved unilaterally to cease the export of opium to China ahead of the treaty deadline. However, the suppression effort faded amid the domestic political chaos of China's so-called warlord period (commonly dated 1916-1928). On the early success and ultimate failure of the prohibition drive see Frederick T. Merrill, Japan and the Opium Menace (New York: Institute of Pacific Relations and the Foreign Policy Association, 1942), 18-24; Edgar Snow, "Celestial Poppy Smoke," Asia 31 (March 1931): 164-169, 197.

Kantōchō, Kantōshū ahen mayaku, 2-3.
Official figures on the number of licensed smokers hovered at just below 3,000 per year. Following a thorough registration drive in 1923, the total rose to over 27,000 addicts, and thereafter the number of licensed smokers remained at a plateau of approximately 30,000. See Kantōchō, Kantōshū ahen mayaku, table 3, 14-16.

According to a Kwantung Government study, as many as one-third of the approximately 30,000 addicts in the territory were transients. See the memorandum by Fujiwara Tetsutarō on reforming Kwantung's opium system, JFMA, File 4.2.4.2-2-1-1, vol. 2.

According to a Kwantung Government study, as many as one-third of the approximately 30,000 addicts in the territory were transients. See the memorandum by Fujiwara Tetsutarō on reforming Kwantung's opium system, JFMA, File 4.2.4.2-2-1-1, vol. 2.

A favorite ploy of Taiwan Monopoly Bureau officials was to blame large discrepancies between raw opium import and smoking paste production figures on "shrinkage" during processing. However, a Mantetsu researcher who investigated smoking paste production in Dairen found that 170 monme of raw opium plus 80 monme of additives yielded between 125 monme of first-class smoking paste and 90 monme of fourth-class paste; in other words, the shrinkage rate was 50-64 percent. Sanko Isao, Ahen no hanashi [The story of opium], Mantetsu panfuretto dai-roku-go (Dairen: Mantetsu shomubu chōsaka, 1924), 5-6.

According to official figures, the annual "license fees" paid by the Hung-chi Association to the Kwantung Government from 1915 to 1920 were: 1915--2,264,865 yen; 1916--2,521,319 yen; 1917--5,314,065 yen; 1918--4,638,215 yen; 1919--1,818,205 yen; 1920--3,544,400 yen. Kantōchō, Kantōshū ahen mayaku, table 14, 25.
68 Koga's affiliation with the Seiyūkai and ties to Hara stirred rumors that at least some of the profits from the conspiracy had found their way into party coffers. Beyond blaming the opposition for spreading rumors and expressing exasperation at Koga's carelessness, Hara made only passing references to the Kwantung opium scandal in his diary. The Prime Minister's death at the hands of an assassin on 4 November 1921 precluded any comment on Koga's subsequent conviction. FO, The Opium Trade, 4:XV, January-June 1921, no. 107; Hara Takashi, Hara Takashi niki [The diary of Hara Takashi] (Tokyo: Fukumaru shuppan, 1965), 5:373-439 passim.

69 Hōritsu shinbun, 15 July 1921; Asahi shinbun (Tokyo), 12 July 1921.

70 Hōritsu shinbun, 15 July 1921.

71 Hōritsu shinbun, 30 July 1922; Ōi Shizuo, Ahen jiken no shinse [The true facts about the opium case] (Tokyo: Privately printed, 1923), 15-17.

72 Ōi, Ahen jiken, 14-15.

73 Hōritsu shinbun, 30 August 1922.

74 Ibid., 3 September 1922. The fines totalled over US$ 1,600,000. The opium case was not Koga's first criminal conviction. In 1913, he was sentenced by a Japanese court to three years in prison for complicity in a counterfeiting case, but the conviction was overturned on appeal. FO, The Opium Trade, 4:XV, January-June 1921, no. 107.

75 Kokumin shinbun, 2 September 1921; Ōi, Ahen jiken, 12-13. According to Ōi, who was Nakano's lawyer, an attempt by the defense to bring up the new scandal during the trial was successfully opposed by the prosecution.

76 See chapter 4 for an examination of the debate on the disbandment of the Kwantung opium farm.

77 Kantōkyoku, Sanjū-nen shi, 944; Kantōchō, Kantōshū ahen mayaku, 4-6.

78 Kwantung Civil Governor Kodama Hideo to Foreign Minister Shidehara Kijūrō, 27 September 1924, JFMA, File 4.2.4.2-2-1-1, vol. 2.

79 For a discussion of the Geneva conferences, see chapter 4.
80 Kantōkyoku, Sanjū-nen shi, 944-946; Kantōcho, Kantōshū ahen mayaku, 6-8.

81 Takushokukyoku, "Ahen chōsa," 32; Kantōcho, Kantōshū ahen mayaku, 8.


85 For example, Mantetsu reported carrying over 11,000,000 passengers and 18,000,000 metric tons of freight in 1934 alone. The Manchoukuo Yearbook Company, The Manchoukuo Yearbook, 1942 (Hsinking: The Manchoukuo Yearbook Company, 1942), 587.

86 Mantetsu employees not only helped transport narcotics northward, but also carried raw opium from northern Manchuria to Dairen, where it was shipped to Shanghai and Tientsin. In smugglers' parlance, narcotics were known as "white" (shiro), while raw opium was called "black" (kuro). Sanko, Ahen no hanashi, 18-19. Occasional arrests on Mantetsu employees provided glimpses into the world of drug trafficking on the railroad. For example, see J. B. Powell, "Opium and Narcotics in Harbin and Mukden," China Weekly Review, 30 November 1929, 489; Kantōcho kōto hōin, chihiō hôin, "Ahen saiban hanketsu bun [Judgements on opium trials], April-November 1927, in Ahen mondai, 85-91.

87 Tairiku rōnin were also referred to as Shina rōnin and Manshu rōnin.


90 Yamauchi, "Sensō to mayaku," xliv, xlvii-xlviii. 1,000,000 yen was equal to approximately US$ 2,000,000.

92 On the estimate of 10,000 addicts, see War Minister Tanaka Gi'ichi to Foreign Minister Uchida Yasuya, 25 November 1920, JFMA, File 4.2.4.1-1-2-2, vol. 2. On excessive opium imports to Qingdao, see FO, *The Opium Trade*, 4:XV, January to June 1921, no. 6, enclosure 2.

93 FO, *The Opium Trade*, 4:XV, January-June 1921, no. 99, enclosure. In November 1914, Kaku Sagataro contacted the military government in Tsingtao with an offer to supply Taiwan Monopoly Bureau smoking paste to the newly-established opium farm. The Tsingtao authorities accepted the offer, and according to the official history of the Taiwan opium monopoly, from 1915 to 1918 the Monopoly Bureau sold Liu Tzu-shan 2,915 kan (10,931 kilograms) of smoking paste, with a total value of 706,350 yen. From 1916 to 1918, the Monopoly Bureau also sold a total of 6,880 kan (25,800 kilograms) of raw opium to Macao, which also was notorious as a smuggling center. Matsushita, *Ahen shi*, 317-325.

94 Reportedly, opium was brought into Tsingtao marked as "military goods" in order to avoid inspection by the Chinese Maritime Customs Service. *North China Daily News*, 17 December 1918; FO, *The Opium Trade*, 4:XV, January-June 1921, no. 99, enclosure.

95 For reports on the narcotics traffic in Tsingtao, see FO, *The Opium Trade*, 4:XV, January-June 1921, no. 79, enclosure 1; Peking and Tientsin Times, 31 December 1921; FO, *The Opium Trade*, 5:XVII, January-June 1922, no. 9 enclosure.


Hoshi, Ahen jiken, 29-30; Hoshi, Jinmin wa yowashi, 50-58. Hoshi's venture into cocaine production led him to establish coca plantations on land that he had purchased in Peru and Taiwan. By the mid-1920s, Hoshi's Taiwan plantation was producing an average of 40-50,000 pounds of dried coca leaves per year, while his Peru operation averaged roughly 20-25,000 pounds per year. The raw coca was shipped to Japan for processing, and most of the cocaine produced probably wound up in the illicit traffic in China. Gaimushō jōyakukyoku dai-san-ka, "Dai-go-kai ahen oyobi mayakurui ni kansuru iinkai gijiroku" [Minutes of the fifth committee concerning opium and narcotics], May 1928, pp. 21, 29, JFMA, Ahen mondai chōsho shū dai-ik-kan [Collection of memoranda on the opium problem], File Jo-san 89; Matsushita, Ahen shi, appendix.

Hoshi, Jinmin wa yowashi, 80-85.

Hoshi, Ahen jiken, 14-18; Hoshi Jinmin wa yowashi, 44-47, 61-62. Hoshi later charged that the Home Ministry had secretly subsidized Naikoku with one million yen.

Hoshi, Jinmin wa yowashi, 63-67.

Hoshi, Ahen jiken, 21-22; Hoshi, Jinmin wa yowashi, 67-68.

Nitan'osa, Ahen to senso, 39-40.

Hoshi, Jinmin wa yowashi, 58-59.

FO, The Opium Trade, 4:XV, January-June 1921, no. 82, enclosure, no. 137, enclosure 1; 4:XVI, July-December 1921, no. 19, enclosure, annex A, no. 76, enclosure. During the course of a stormy interview in September 1920, Kaku averred to the British consul that he could not be held responsible for the crude morphine once it passed off the island and out of his control.

FO, The Opium Trade, 4:XV, January-June 1921, no. 137, enclosure 3.

Matsushita, Ahen shi, 498. The total value of the crude morphine sales to Hoshi was equivalent to US$16,000,000.

112 Hoshi, Jinmin wa yowashi, 88-98.

113 Hoshi, Ahen jiken, 24-29; Hoshi, Jinmin wa yowashi, 88-98.

114 Vladivostok Consul-General Matsumura Sadao to Foreign Minister Uchida Yasuya, 28 January 1922, JFMA, File 4.2.4.1-4, vol. 1; FO, The Opium Trade, 5:XVII, January-June 1922, no. 22, enclosure 1; Hoshi, Jinmin wa yowashi, 99-102.


116 Hoshi, Jinmin wa yowashi, 99-104; Hoshi, Ahen jiken, 37-39.

117 Hoshi, Jinmin wa yowashi, 105-107; Hoshi, Ahen jiken, 24-29.

118 FO, The Opium Trade, 6:XXVI, 1929, no. 17, enclosure 2; Hoshi seiyaku kabushiki gaisha, Ahen jiken tenmatsu [The particulars of the opium case] (Tokyo: Hoshi seiyaku kabushiki gaisha, 1926), 5-6.

119 Hoshi, Ahen jiken, 39-40.

120 For summaries of the trial, see Hoshi, Jinmin wa yowashi, 182-195; Hoshi, Ahen jiken, 40-55.

121 Chōsen sōtokufu senbaikyoku, Chōsen senbai shi (Keijō: Chōsen sōtokufu senbaikyoku, 1936), 3:498.

122 Government-General of Korea Police Bureau Director Miya Miyamatsu to Foreign Ministry Treaty Bureau Director Nagaoka Shun'ichi, 15 April 1926, JFMA, File 2.4.2.45.

123 On 26 March 1926, Foreign Minister Shidehara received an anonymous letter charging that Taishō was bribing officials in Korea for the morphine concession, and then smuggling most of its production to China. Further cause for suspicion in Tokyo was the inability of the Government-General authorities to explain why Taisho was producing hundreds of kilograms of morphine when Korea's annual requirements were approximately 10-15 kilos. "Taishō seiyaku kabushiki gaisha no ken" [The matter of the Taishō Pharmaceutical Company], Anonymous letter to Foreign Minister Shidehara Kijūrō, 23 March 1926 and Miyamatsu to Nagaoka, 15 April 1926, JFMA, File 2.4.2.45.
6 out of the 7 defendants in the Taisho case were found guilty by the Kwantung district court, and fined 50 yen (roughly US$ 100) each. Kwantung Civil Governor Kodama Hideo to Deputy Foreign Minister Debuchi Katsuji, 15 December 1926, JFMA, File 2.4.2.45.

See also Nishigame Sankei, "Mayakurui no ran'yō bōshi no shisetsu," in Chōsen sōran, ed. Chōsen sōtokufu (Keijō: Chōsen sōtokufu, 1933), 757.

A somewhat similar situation arose in the southern Chinese province of Fukien in the early 1920s, where Taiwanese were rumored to play an active role in opium and narcotics trafficking in the port city of Foochow. FO, The Opium Trade, 5: XVII, January-June 1922, no. 15 enclosure.


Sanko, Ahen no hanashi, 16-17.


Ibid., 290-291.

Merrill, Japan and the Opium Menace, 94.

Harubin shōhin chinretsukan, Hoku-Man chihō no ahen [Opium in the northern Manchuria region], Harubin shōhin chinretsukan panfuretto 22 (Harbin: Harubin shōhin chinretsukan, 1925), 64; Sanko, Ahen no hanashi, 16.

Powell, "Opium and Narcotics in Harbin and Mukden," 489.


137 Namely, the already-cited *Ahen jiken*.

CHAPTER IV

1 Gaimushō jōyakukyoku dai-san-ka, "Ahen oyobi mayakurui no jikō ni kansuru iinkai" [The committee concerning opium and narcotics matters], April 1926, p. 6, Japanese Foreign Ministry Archives (hereafter JFMA), Ahen mondai chōshō shū dai-ik-kan, File Jo-san 89.

2 Properly, the Advisory Committee on Traffic in Opium and Other Dangerous Drugs.


4 For a copy of Brent's letter to Roosevelt, see the South China Morning Post, 28 January 1909. Clipping located in JFMA, File 2.9.9.23, vol. 1.

5 Ibid. See also Izumi Tetsu, "Ahen baibai no seigen ni kansuru kokusai kyōtei" [International agreements concerning the limitation of the opium trade], Kokusaihō zasshi 24 (1925): 29.

6 As the Japanese anti-opium activist Kikuchi Toraji pointed out nearly twenty years later, because there was practically no drug addiction in Japan, the issue of opium and narcotics control did not arouse the interest of the general public. Kikuchi Toraji, "Ahen gaidoku undo ni kansuru iken," in Kikuchi Toraji et al. Ahen mondai no kenkyū (Tokyo: Kokusai renmei kyōkai, 1928), 3.

7 Foreign Minister Hayashi Tadasu to Minister in London Komura Jūtarō, 1 November 1906, JFMA, File 2.9.9.23, vol. 1.
8 Komura to Hayashi, 8 November 1906, JFMA, File 2.9.9.23, vol. 1.

9 London, still sensitive to criticism about the Indian opium trade, was concerned that the conference would degenerate into an attack on that trade if not balanced with an examination of China's domestic production. Walker, Opium and Foreign Policy, 17.

10 See the draft of the reply from the Foreign Ministry to the U.S. Minister in Tokyo, 22 November 1906, JFMA, File 2.9.9.23, vol. 1.

11 Walker, Opium and Foreign Policy, 16-17.

12 In 1908, the Japanese government appointed its delegation: Miyaoka Tsunejirō (counselor to the embassy in Peking), Doctor of Pharmacy Tahara Yoshizumi (Home Ministry), and Takagi Tomoe (a technical expert with the Government-General of Taiwan). Foreign Minister Terauchi Masatake to U.S. Minister in Tokyo Peter Jay, 10 August 1908, JFMA, File 2.9.9.23, vol. 1.


16 Memorandum from acting Secretary of State Alvey Adee dated 1 September 1909, O'Brien to Komura, 13 October 1909 (enclosure), JFMA, File 2.9.9.34, vol. 1. See also Matsumoto Tadao, "Ahen torishimari no tame no kokusai kyoryoku" [International cooperation for opium control], Shina 21 (October 1930): 63-64. The most significant American proposals were as follows: 1) uniform national drug control laws, 2) restriction of the number of ports through which opium could be shipped, 3) reciprocal notification between importing and exporting countries regarding opium shipments, 4) reciprocal rights to seize suspected drug smugglers on the high seas, and 5) establishment of an international organization to enforce drug control agreements.
17 John D. Farnham and Helen Howell Moorhead, "International Limitation of Dangerous Drugs," Foreign Policy Reports 7 (1 April 1931): 22. See also Frederick T. Merrill, Japan and the Opium Menace (New York: Institute of Pacific Relations and the Foreign Policy Association, 1942), 113; Walker, Opium and Foreign Policy, 18.

18 Farnham and Moorhead, "International Limitation," 22.

19 Matsumoto, "Ahen torishimari," 65; "Memorandum for the Netherlands Minister being an excerpt from general instructions issued to American Delegates to the international opium Conference," JFMA, File 2.9.9.34, vol. 1.

20 Criticism by the British delegates quoted in Walker, Opium and Foreign Policy, 18.

21 The Japanese delegation made only one proposal that found its way into the final draft of the convention, namely Article 6 of Chapter II, which pledged the signatories to take gradual and effective steps to limit the production, distribution, and use of prepared opium. "Hagu kaisai bankoku ahen kaigi hōkoku sho" [Report on the international opium conference held at The Hague], JFMA, File 2.9.9.34, vol. 2.

22 The Japanese delegates to the conference at The Hague were Minister to the Netherlands Satō Aimaro, Takagi Tomoe (Government-General of Taiwan), and Nishizaki Kōtarō (Home Ministry).

23 Instructions for the delegates to the conference at The Hague, 6 November 1911, JFMA, File 2.9.9.34, vol. 1. Like Britain (and France), Japan was fundamentally opposed to the American proposal regarding the seizure of suspected smugglers on the high seas. However, the Japanese delegates were not directed to reject the proposal outright— if it turned out that the proposal was supported by a majority of the other powers, they were to wire Tokyo for further instructions. Similarly, although Tokyo seemed less than enthusiastic about the idea of an international administrative body, the delegates were ordered not to commit themselves either way until studying the details of the proposal; if still unable to decide, they were to send for further instructions.

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Walker, *Opium and Foreign Policy*, 18. Although prepared to assent to strict control of the morphine and cocaine trade, Tokyo could not agree to prohibit the manufacture and sale of narcotics. The British delegation concluded that the Japanese refused to support prohibition in order to protect the growing narcotics export trade to China, but as Japan was not yet a morphine or cocaine producer in 1912, Tokyo probably was motivated more by a general desire to avoid having its options circumscribed. Instructions to The Hague conference delegates, 6 November 1911, JFMA, File 2.9.9.34, vol. 1.

North China Daily News, 3 September 1915.

The writer was the former *Times* correspondent George Ernest Morrison, who was serving as an advisor to the president of the Chinese republic Yuan Shih-k'ai.


Sir John Jordan, the minister in Peking, passed on the articles to London, commenting "Without endorsing the extreme strictures passed by the authors of this correspondence on the action of the Japanese Government, I think there is sufficient evidence to show that the supplies of morphia in Manchuria are furnished almost entirely, if not entirely, by Japanese traders." British Foreign Office (hereafter FO), *The Opium Trade* (Dover Del.: Scholarly Resources, Inc., 1974), 2:X, January-September 1916, no. 2.


Sir Conyngham Greene was reluctant to offend a major ally, but the minister in Tokyo, Sir Conyngham Greene, supported the restrictions with the assurance that the Japanese government would accept them without offense.


Soojima recounted the meeting to a member of the British embassy staff. FO, *The Opium Trade*, 4:XIII, 1919, no. 11.

Hara, *Hara Takashi niki*, 5:56.

Ibid., 5:60.
35 For a copy of the cabinet resolution of 18 January 1919, see JFMA, File 2.4.2.30, vol. 1.

36 Walker, Opium and Foreign Policy, 29; Merrill, Japan and the Opium Menace, 113-114; Farnham and Moorhead, "International Limitation," 22-23; Matsumoto, "Ahen torishimari," 71-72. The 1911-1912 conference was followed up by meetings at The Hague in 1913 and 1914 to clarify procedures for ratification and expand participation in the convention beyond the original twelve signatories. However, the United States was the only signatory to have ratified the treaty when the First World War broke out.

37 Merrill, Japan and the Opium Menace, 114; Farnham and Moorhead, "International Limitation," 23; Matsumoto, "Ahen torishimari," 72-75.

38 Colonization Bureau Director Koga Renzō to Deputy Foreign Minister Shidehara Kijūrō, 19 January 1919, JFMA, File 4.2.4.1-1-2-2, vol. 1.

39 Enclosure in War Minister Tanaka Giichi to Foreign Minister Uchida Yasuya, 19 February 1919, JFMA, File 4.2.4.1-1-2-2, vol. 1.

40 The resolution of 1920, unavailable in the Foreign Ministry archives, is alluded to in a draft cabinet resolution concerning the opium system in the Kwantung Territory, 27 July 1923, JFMA, File 4.2.4.1-1-2-1.

41 Ibid; Protocol of the conference of departments concerned with the abolition of the opium systems held at the Colonization Bureau on 22 September 1920, JFMA, File 4.2.4.1-1-2-2, vol. 1. The only support for the abolition resolution came from the Foreign Ministry representative, Sakou Shūichi.

42 Draft cabinet resolution of 17 July 1923, JFMA, File 4.2.4.1-1-2-1; Tanaka to Uchida, 25 November 1920, and Koga to Foreign Ministry Commercial Bureau Director Hanihara Masanao, 22 November 1920, JFMA, File 4.2.4.1-1-2-2, vol. 1.

43 See pp. 95-96 above.

44 FO, The Opium Trade, 4:XV, January-June 1921, no. 6 enclosure; First Secretary of the Japanese Legation Tokugawa Iemasa to Arthur Sowerby (International Anti-Opium Association), 14 October 1920, JFMA, File 4.2.4.1-1-2-2, vol. 1.

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Japanese Minister in Peking Obata Yūkichi to Graham Aspland (Secretary, International Anti-Opium Association), 19 May 1922, JFMA, File 4.2.4.1-2-1.

Aspland to Obata, 20 May 1922, JFMA, File 4.2.4.1-1-2-1.


Merrill, Japan and the Opium Menace, 21-22.

Walker, Opium and Foreign Policy, 36.

Tohō tsūshin, 16 April 1923; Obata to Uchida, 17 April 1923, JFMA, File 4.2.4.1-2-1-1; Far Eastern Times, 18 April 1923.

Far Eastern Times, 17-19 April 1923; Peking Leader, 17 April 1923.

The Nishihara group (named after Nishihara Kamezō, who led the negotiations), was a consortium of Japanese banks that extended a series of loans to the regime of the warlord Tuan Chi-jui in 1917-1918. Ostensibly a private transaction, the Nishihara loans were actually sponsored by the Japanese government, which in return received territorial and economic concessions from the Tuan regime. The Ezra family headed a combine of Shanghai's opium merchants. In 1917, the combine concluded an agreement to sell all of its remaining stock of opium to the Chinese government. Anti-opium activists decried the deal, charging that Vice-President Feng Kuo-cheng, who had arranged the purchase from the combine, was planning to peddle the opium. Edgar Snow, "Celestial Poppy Smoke," Asia 31 (March 1931), 165-166; Walker, Opium and Foreign Policy, 25-26.

Peking Daily News, 19 April 1923; Far Eastern Times, 18 April 1923.

Peking Leader, 17 April 1923.

Obata to Uchida, 17 April 1923, JFMA, File 4.2.4.1-2-1-1.

Ibid.
On the collapse of Maruo's scheme, see *Far Eastern Times*, 19 April 1923; *Tōhō tsūshin*, 20 April 1923, JFMA, File 4.2.4.1-2-1-1. For Hoshi Hajime's interest in the Chinese monopoly, see the minutes of the meeting between Foreign Ministry officials and major pharmaceutical makers to discuss opium and narcotics control in preparation for the international opium conference, 2 August 1924, JFMA, File 2.4.2.44, vol. 2.

League of Nations, Advisory Committee on Traffic in Opium and Other Dangerous Drugs (hereafter OAC), *Minutes of the Second Session: Held at Geneva From April 19th to 29th, 1922*, C.416.M.254.1922.XI (Geneva, 1922), 28-30. According to the new regulations, a permit issued by the Home Ministry was required for narcotics production, import, and export. Dealers of drugs were also required to keep detailed records of their transactions, which were subject to periodic inspections by local authorities. *Hōrei zenshō* [Compendium of laws and ordinances], December 1920 (Tokyo: *Insatsu kyoku*, 1920), shōrei: 71-73.


OAC, *Minutes of the Fifth Session: Held at Geneva From May 24th to June 7th, 1923*, 73.

See pages 105-106 above.

Obviously unprepared for the pointed questions from the British delegation, the unfortunate Japanese OAC member could only vaguely reiterate that his government was exercising strict control over the opium and narcotics trade.

The other participants were Britain, France, the Netherlands, Portugal, China, India, and Siam. The United States was an observer at the first conference.

66 Merrill, Japan and the Opium Menace, 116.

67 Moorhead, "International Administration," 333-334; Farnham and Moorhead, "International Limitation," 23; Merrill, Japan and the Opium Menace, 115.

68 Walker, Opium and Foreign Policy, 37.

69 Merrill, Japan and the Opium Menace, 116.

70 Walker, Opium and Foreign Policy, 37.

71 FO, The Opium Trade, 4:XV, 1920, no. 19 and enclosure. See also pages 105-106 above.

72 Aide Memoire from the British Embassy in Tokyo, 12 May 1925, JFMA, File 4.2.4.1-5-3; FO, The Opium Trade, 5:XIX, January-June 1923, no. 48 and enclosure.

73 FO, The Opium Trade, 5:XIX, January-June 1923, no. 48 and enclosure.

74 Gaimushō jōyakukyoku dai-san-ka, "Jūnēbu no kokusai ahen kaigi ni kansuru chōsho" [Memorandum concerning the Geneva international opium conferences], July 1926, pp. 38-40, JFMA, Ahen mondai chōsho shū dai-ik-kan, File Jo-san 89; "Dai-ichi kaigi no inshō hōkoku no ken" [Report on impressions of the first conference], Geneva Delegates to Foreign Minister Shidehara, 16 November 1924, JFMA, File 2.4.2.44, vol. 4; "Kokusai ahen kaigi keika taiyō" [Summary of the course of the international opium conferences], 12 February 1925, JFMA, File 2.4.2.44, vol. 6.

75 "Dai-ichi kaigi," Geneva Delegates to Shidehara, 16 November 1924, JFMA, File 2.4.2.44, vol. 4.


"Dai-ichi kaigi," Geneva Delegates to Shidehara, 16 November 1924, JFMA, File 2.4.2.44, vol. 4. See also Ambassador to the United States Matsuhira Tsuneo to Shidehara, 20-21 March 1925, JFMA, File 2.4.2.44, vol. 7. In their report to Tokyo, the Geneva delegates, admittedly not impartial observers, noted that the "arrogance" of their British counterparts was irritating many of the other delegates.


Joyakukyoku, "Ahen mayakurui iinkai," pp. 5-7, JFMA, Ahen mondai chōsho shū dai-ik-kan, File Jō-san 89. Its original name was the Committee Concerning Opium and Narcotics Matters (*Ahen oyobi mayakurui no jikō ni kansuru iinkai*).

For example, the first session of the Opium Committee resulted in approval of the format of English-language opium import-export certificates, a relatively trivial matter. Ibid., 45-46.

Ibid., 10-11.

All League members were required to submit annual reports on the past year's developments regarding opium and narcotics, including information on changes in domestic drug control legislation, production statistics, details on arrests for trafficking or illegal use, etc.

The Opium Committee, frustrated by the inability to come up with an effective strategy for coping with the OAC, briefly considered the idea of attempting to divert attention away from Japan. One way, by attacking the British government's record, was rejected because of a lack of information with which to back up such an attack. A second way, by criticizing China for its failure to control opium, was also rejected out of a belief that the OAC had already given up on China, making any further criticism futile. Gaimushō joyakukyoku dai-san-ka, "Dai-go-kai ahen oyobi mayakurui ni kansuru iinkai gijiroku," [Minutes of the fifth opium and narcotics committee], May 1928, pp. 8-15, JFMA, Ahen mondai chōsho shū dai-ik-kan, File Jō-san 89.

Ibid., 2-3.

Ibid., 8-9 on the feeling that Japan was being singled out for OAC criticism.
87 Merrill, *Japan and the Opium Menace*, 117-118.

88 For an account of the negotiations, see Farnham and Moorhead, "International Limitation," 26-37.


90 Naimu daijin Adachi Kenzō, "Dai-ichi-gian: Mayaku seizō seigen kaigi ni kansuru hōshin no ken" [Third measure: Policy regarding the narcotics limitation conference], 13 April 1931 and "Mayaku seizō seigen kaigi ni kansuru hōshin" [Policy concerning the narcotics limitation conference], in Mayaku kankei bunsho, Toyo Bunka Kenkyūjo, Tokyo University.


92 Japan, Britain, France, the Netherlands, Portugal, India, and Siam attended, and the United States was an observer.

NOTES

CHAPTER V

1 Tanaka Suehiro, Man-No fukugyō shigen dokuhon [Reader on subsidiary businesses and resources of Manchuria and Mongolia] (Tokyo: Ritsumeikan shuppanbu, 1934), 49.

2 Frederick T. Merrill, Japan and the Opium Menace (New York: Institute of Pacific Relations and the Foreign Policy Association, 1942), 90.

3 Oki Takeo, "Manshū ni okeru ahenrui" [Opium in Manchuria], Mantetsu chōsa geppo 12 (December 1932): 2.

4 Ibid., 1

5 Gustav von Krahmer, Russland in Ost-Asien: Mit Besonderer Berucksichtigung Der Mandschurî [Russia in East Asia: With special consideration of Manchuria] (Leipzig: Zuckschwerdt, 1899), 125. The author wishes to thank Mr. Robert Fahs for bringing this source to his attention and translating the relevant passages.

6 Merrill, Japan and the Opium Menace, 91. See also Owen Lattimore, Manchuria, Cradle of Conflict (New York: The Macmillan Company, 1935), 187; Oki, "Manshū ahenrui," 2. Also contributing to the popularity of the poppy among farmers in Manchuria was the fact that it matured rapidly, allowing for planting and harvesting in the period between the fall harvest of other crops and the onset of winter. Von Krahmer, Russland in Ost-Asien, 125.

7 Oki, "Manshū ahenrui," 1-2.


9 Lee, The Manchurian Frontier, 95. Opium taxes were first levied in China in 1859.

10 Merrill, Japan and the Opium Menace, 91.


13 Under the *pao-chia* system, members of each basic unit, which was composed of ten households, were held collectively responsible for any criminal acts committed by one of its members.


18 Hōshuyama, "Hoku-Man no ahen (1)," 114; McCormack, *Chang Tso-lin*, 105-106. For more on the situation in eastern Chilin, see "Ahen senbai keikaku to henbōchi no saibai jijō" [The opium monopoly plan and the cultivation situation in the frontier areas], *Man-Mō jitsugyō iho*, no. 95 (June 1923): 25-27. A native of Shantung, Chang Tsung-ch'ang joined forces with Chang Tso-lin in 1922, and reached a peak of power when he became the Fengtien clique's military governor of Shantung in 1925. A native of Shantung, Chang was nicknamed the "Dog-Meat General" on account of his reported affinity for black chow meat, commonly believed in China to be an aphrodisiac (Chang kept a personal harem of approximately forty women).


"Kokuryū-shō no ahen jōkyō" [The opium situation in Heilungkiang Province], Ro-A jihō, no. 96 (October 1927): 30; "Kitsurin Kokuryū ryōshō ahen saibai" [Opium farming in Chilin and Heilungkiang provinces], Ro-A jihō, no. 90 (April 1927): 10; Oki, "Manshū ahenrui," 7.

"Kitsurin Kokuryū ahen saibai," 10. Chang Tso-hsiang reportedly opposed encouraging the opium trade in Chilin because he did not want reverse an earlier decision to prohibit opium, which he had enforced with mass executions. A sudden change of policy would have resulted in Chang's loss of face vis-à-vis the victims of the executions, said to number one thousand.

Hōshuyama, "Hoku-Man no ahen (1)," 15.

McCormack, Chang Tso-lin, 197.


Ibid, 8-9.

Merrill, Japan and the Opium Menace, 92-93.

Miyajima, Kokusai ahen mondai, 121

Oki, "Manshū ahenrui," 13. In October 1928, the Foreign Ministry, replying to the promulgation of the opium prohibition law by the Nationalists, attempted to strengthen consular regulations for control of opium and narcotics. However, even Japanese observers in Manchuria were forced to admit that the new regulations were not being applied by the consulates.

Merrill, Japan and the Opium Menace, 92.

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Mukden Consul Morishima Morito to Foreign Minister Yoshizawa Kenkichi, 25 February 1932, Japanese Foreign Ministry Archives (hereafter JFMA), File D.2.5.0.1-3.

As director-general of the Finance Department, Hoshino was responsible for stabilizing Manchukuo's currency. In 1936, he was promoted to the post of director of the General Affairs Board, becoming the most influential bureaucrat in Manchukuo. After returning to Tokyo in 1940, Hoshino served as a cabinet secretary in the government of Tōjō Hideki.

For the text of the Opium Law of 1932, see Oki, "Manshū ahenrui," 17-22.

Kin' en sōkyoku, Kin'en gyōsei kankei hōrei shū [Compendium of legislation concerning the administration of opium prohibition] (Shinkyō: Kin'en sōkyoku, 1944), 1; Senbai sōkyoku, Manshūkoku ahen senbai seido gaiyō [Summary of the opium monopoly system of Manchukuo] (Shinkyō: Senbai sōkyoku, 1938), 5-6.

According to the contract, revenue from the Heilungkiang-Chilin Transport Toll Office was also to be used as security for the loan.

Ambassador to Manchukuo Muto Nobuyoshi to Foreign Minister Uchida Yasuya, 5 December 1932, JFMA, File D.2.5.0.1-3.

In his memoirs, Hoshino claimed that he selected Nanba not only for the latter's abilities, but also because Nanba, a keen sportsman, had the sheer physical stamina necessary for the demanding monopoly post. Hoshino, Mihatenu yume, 168.

41 Mantetsu keizai chōsaikai dai-go-bu, "Manshūkoku ahen seido sōan" [Draft of the Manchukuo opium system], October 1932, pp. 19-20, Library of Congress, Washington, D.C. Estimated daily consumption by addicts was also based on the findings of the colonial governments.

42 Ibid., 16-19.

43 "Manshūkoku zankō ahen shūbai hō narabi ahen senbai nado sonae" [Manchukuo's provisional opium purchase law and preparations for the opium monopoly, etc.], Ro-A jihō, no. 156 (October 1932): 12-13; Kokumuin tokeika, Daiichi-ji Manshūkoku nenpō, 286.

44 Senbai sōkyoku, Ahen jigyō gaikyō [The general situation of the opium business] (Shinkyo: Senbai sōkyoku, 1938), 20-21; Manshū teikoku seifu, Kenkoku jū-nen shi, 267. Further reducing the amount of domestic opium available to government collectors was the damage done by heavy summer rains in 1932, which destroyed up to 30 percent of the year's poppy crop. Hoshuyama put the 1932 opium harvest in northern Manchuria at 1,260,000 kin (756,000 kilograms). Hoshuyama Susumu, "Hoku-Man no ahen (2)" [Opium in northern Manchuria (2)], Ro-A jihō, no. 155 (September 1932), 7.

45 Opium smoking was probably introduced to Jehol during the construction of the Kanghsi Emperor's (1662-1723) summer palace at Chengte. Senbai sōkyoku, Manshūkoku ahen seido to ahen gainen, 1.


47 Manshū teikoku kokumuin minseibu, Nekka ken-ki jijō [Conditions in the counties and banners of Jehol] (Shinkyō: Daidō inkan, 1935), 64.
Out of a total of 710,000 mou (45,827 hectares) of officially-designated poppy cultivation acreage in 1938, 650,000 mou (41,954 hectares) was located in Jehol. Manchukuo officials justified the decision to concentrate opium production in Jehol because its climate was unsuitable for other crops, and because any attempt to enforce prohibition would cause severe dislocation to the local economy, which, thanks to T'ang Yu-lin, was heavily dependent on the poppy. Pritchard and Zale, Tokyo Trial, 9:20,323; Teikoku minseibu, Nekka ken-ki jijō, 65.

Out of a total reported opium production of 264,692 kilograms from 1933 to 1941, Korea exported 197,507 kilograms to Manchukuo and Kwantung. Kōseikyoku eiseika, "1941-nen ahen oyobi mayaku jigyō gaiyō," 1941, JFMA, File 2.5.0.1-1. See also p. 65 above.

Although it is unclear how much Persian raw opium was imported on a year-by-year basis, it is known that the Manchukuo government authorized the import of 1,200 chests (approximately 108,000 kilograms) in 1939. Gaimushō joyakukyoku, "Manshūkoku oyobi Hoku-Shi ni okeru ahen mayaku mondai ni kansuru shisatsu hōkoku" [Report on an investigation of the opium and narcotics problem in Manchukuo and North China], May 1939, pp. 11-12, Tokyo Toritsu University Library, Tokyo.

The authorities initially intended to limit the licenses to "Manchukuoans" (i.e., Chinese), and may have planned to use the licenses as an incentive for cooperation with the new regime, along the lines of Taiwan's goyō shinshi. However, when Korean opium traffickers rioted in Harbin in protest against the restrictions, the Manchukuo authorities relented and also began issuing licenses to Koreans. Harbin Consul Morishima Morito to Foreign Minister Uchida, 8 August 1933 and Ambassador to Manchukuo Hishikari Takashi to Foreign Minister Hirota Kōki, 28 April 1934, JFMA, File 2.5.0.1-3.

Narcotics control legislation was being considered as early as 1934, but Manchukuo did not promulgate a narcotics law until 1937. Hishikari to Hirota, 28 May 1934, JFMA, File 2.5.0.1-3.
55 Simeon Kaspé, a concert pianist, was kidnapped by a gang of Russian thugs under the direction of Nakamura in an attempt to extort money from the young man's father, the owner of Harbin's Hotel Moderne. Kaspé was then killed when his father refused to pay the ransom. Because the victim was a French national, the Kaspé case was briefly a cause célèbre among Harbin's foreign residents. Amleto Vespa, Secret Agent of Japan (Boston: Little, Brown, and Company, 1938), 205-218.


59 Ibid., 132-133.

60 League of Nations, Advisory Committee on Traffic in Opium and Other Dangerous Drugs (hereafter OAC), Minutes of the Seventeenth Session: Held at Geneva from October 30th to November 9th, 1933, C.661.M.316.1933.XI (Geneva, December 1933), 14.

61 Ibid.

62 According to the formula arrived at by the OAC, countries exporting to Manchukuo were to include an export authorization with the opium consignment, but were to refrain from forwarding a second copy of the export authorization to the Manchukuo authorities.


64 Although Britain had been one of Japan's leading critics on the OAC throughout most of the 1920s, London's OAC attitude vis-à-vis Japan during the 1930s was subdued. William Walker attributes Whitehall's low-key posture in the 1930s to a disinclination to alienate the Japan's military, and perhaps provoke further Japanese expansion in China. Walker, Opium and Foreign Policy, 67-68.

65 OAC, Minutes of the Seventeenth Session, 14-15.
According to official statistics, the amount of government opium consumed as a percentage of Manchukuo's total consumption rose from 9.8 percent in 1932 to 62.3 percent in 1937. Senbai sōkyoku, Ahen jigyō gaikyō, 38-39.

Official statistics reported a rise in the value of government opium sales from 10 million yuan in 1933 to 60 million yuan in 1937. Senbai sōkyoku, Ahen jigyō gaikyō, 41.

The Manchukuo authorities did not compile any figures on the number of narcotics addicts. Merrill quotes a figure of 740,000, but does not cite his source. Merrill, Japan and the Opium Menace, 99.

The Tangku Truce, an armistice concluded between the Kwantung Army and local Chinese authorities in 1933, ended the military phase of the Manchurian Crisis by creating a demilitarized zone in northern Hopei Province.

On the situation in Jehol, see Gaimushō jōyakukyoku, "Manshūkoku Hoku-Shi ahen mayaku mondai shisatsu," 22-30.


The Manchoukuo Yearbook, 1942, 701-705.

Pritchard and Zale, Tokyo Trial, 15:29,116-29,120.

For the text of the Narcotics Law and regulations for its enforcement, see Kin'en sōkyoku, Kin'en gyōsei hōrei, 55-64.

Kin'en sōkyoku, Kin'en gyōsei hōrei, 4-7, 29-36; Senbai sōkyoku, Ahen jigyō gaikyō, 3-6; Manshū teikoku seifu, Kenkoku jū-nen shi, 269, 277-278. The kōsei-in system was actually put into effect from 1940.
77 Senbai sōkyoku, Ahen jigyō gaikyō, 3-6, 39-40; Kin'en sōkyoku, Kin'en gyōsei hōrei, 5-6; Manshū teikoku seifu, Kenkoku jū-nen shi, 270-271. Official sources quote a figure of 2,000 licensed retailers in 1937. Senbai sōkyoku, Manshūkoku ahen senbai, 12.

78 On the general plan to reduce production, see Kin'en sōkyoku, Kin'en gyōsei hōrei, 6; Senbai sōkyoku, Ahen jigyō gaikyō, 6. On the appointment of agricultural cooperatives to oversee opium collection, Kin'en sōkyoku, Kin'en gyōsei hōrei, 215-218, 242-244.


80 Merrill, Japan and the Opium Menace, 130

81 For a discussion of U.S. diplomacy regarding opium and narcotics in China during the 1930s, see Walker, Opium and Foreign Policy, 62-131.


83 Ibid., 10-12.

84 Ibid., 13.

85 OAC, Minutes of the Twenty-Third Session: Held at Geneva from June 7th to 24th, 1938, C.249.M.147.1938.XI (Geneva, 1938), 46-47. In October 1937, the ambassador to Manchukuo reported to Tokyo that the authorities had rounded up over 5,000 drug traffickers. Instead of incarcerating the arrested traffickers, however, Manchukuo merely expelled them to northern China. Ambassador to Manchukuo Ueda Kenkichi to Foreign Minister Hirota, 8 October 1937, JFMA, File D.2.5.0.1-3.

86 OAC, Minutes of the Twenty-Third Session, 47-48.

87 Ibid., 53-58.


89 On Japan's withdrawal see Walker, Opium and Foreign Policy, 129-130.
NOTES

CHAPTER VI

1League of Nations, Advisory Committee on Traffic in Opium And Other Dangerous Drugs, Minutes of the Twenty-First Session: Held at Geneva from May 18th to June 5th, 1936, C.290.M.176.1936.XI (Geneva 1936), 66.


3Without citing his source, Eguchi puts annual opium consumption at the time at 11,500,000 liang (approximately 415,000 kilograms) in Peking and 6,500,000 liang (approximately 235,000 kilograms) in Tientsin. In 1939, Japanese investigators came up with figures of roughly 4,700,000 liang (170,000 kilograms) and 2,500,000 liang (90,000 kilograms), respectively. Eguchi, Nitchū ahen sensō, 82; Kōain Kahoku renrakubu keizai dai-ik-kyoku, "Hoku-Shi ni okeru ahen ryūtsū ryō ni tsuite" [Concerning the amount of opium circulating in northern China], 17 August 1939, in Gendai shi shiryō, vol. 12, Ahen mondai (hereafter Ahen mondai) (Tokyo: Misuzu shobo, 1986), 295-296.

4Gaimushō gaikō shiryōkan and Nihon gaikō shi jiten hensan iinkai, eds., Nihon gaikō shi jiten [Historical dictionary of Japan's foreign relations], new and revised ed. (Tokyo: Yamagawa shuppansha, 1992), 97, 563.

5Eguchi, Nitchū ahen sensō, 82-83; "Gaimushō kankei denpō oyobi bunshō" [Telegrams and documents connected with the Foreign Ministry], nos. 53 and 69, in Ahen mondai, 529, 536.

6Eguchi, Nitchū ahen sensō, 82-83.

7"Zai-Chūka Minkoku Nihon taishikan shorui" [Documents of the Japanese embassy in the Republic of China], 25 October 1938, in Ahen mondai, 261-263; Eguchi, Nitchū ahen sensō, 83-84.

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By 1939, there were over three hundred opium wholesale and retail shops operating in Peking alone. Gaimushō jōyakukyoku, "Manshūkoku Ōoku-Shi no okeru ahen mayaku mondai ni kansuru shisatsu hōkoku," May 1939, p. 48, Tokyo Tōrizu University Library, Tokyo; Eguchi, Nitchū ahen sensō, 86.

Kōain Kahoku renrakubu, "Hoku-Shi ahen ryūtsu ryo," 297.

Ibid., 298. The opium wholesale price on the Peking market rose from 2.70 yen per liang (36 grams) in July 1937 to 7.40 in September 1938.

Ibid., 296; "Nekka yori Kitō chiku mitsuyunyū seraru ni ahen ni tsuite" [Concerning opium smuggling from Jehol to the East Hopei region], 8 July 1939, in Ahen mondai, 286-288. Opium was worth only 2-3 yen per liang in Jehol, compared with over 7 yen on the Peking market.

Kōain keizaibu dai-ik-ka zaiseihan, "Kitō chiku ni okeru keshi saibai narabi shūbai ni tsuite" [Concerning poppy cultivation and purchase in the eastern Hopei area], 7 July 1939, in Ahen mondai, 283-285.

Zai-Pekin Nihon taishikan shokutaku Watanabe Torazaburō, "Kahoku ni okeru mayaku himitsu shakai no jittai" [The substance of narcotics secret societies in northern China], in Ahen mondai, 416; "Tairiku ni okeru ahen mayaku mitsubai ni kansuru genjō chōsa hōkoku sho" [Report on the investigation of the current state of opium and narcotics smuggling on the continent], Undated (ca. 1942) manuscript on stationery of the Japanese embassy in Peking, Japanese Foreign Ministry Archives (hereafter JFMA), File D.2.5.0.1-2.

Many of the Japanese and Korean transients came from Manchukuo after the authorities there began to crack down on opium and narcotics traffickers in 1937.


"Chū-Shi ahen mayaku jōkyō shisatsu hōkoku" [Report on an investigation of the opium and narcotics situation in central China], June 1939, pp. 1-2, JFMA, File D.2.5.0.1-2.

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18In 1937-1939, Mitsui and Mitsubishi were locked in a struggle over exclusive rights to ship Iranian opium to the Far East. The two conglomerates had made a contract in 1937 granting Mitsubishi a monopoly over Iranian opium shipments for one year, but when the contract expired, Mitsubishi attempted to maintain its monopoly against the protests of Mitsui. The Foreign Ministry, which was concerned that dispute would provide the Persian government with an opportunity to raise its opium prices by playing one company off against the other, interceded in the matter, and in 1939, persuaded Mitsui and Mitsubishi to form a purchasing combine. According to the agreement brokered by the Foreign Ministry, the former company gained exclusive rights to ship Persian opium to China, while the latter was to control imports to Japan and Manchukuo. Eguchi, Nitchū ahen sensō, 92-95; Gaimushō joyakukyoku, "Manshūkoku Hoku-Shi ahen mayaku mondai shisatsu, 9-12.


21Walker, Opium and Foreign Policy, 123-124; "Chu-Shi ahen mayaku jokyō," pp. 8-10, JFMA, File D.2.5.0.1-2.


23Walker, Opium and Foreign Policy, 123-124.

24Amō Eiji, Nikki shiryō shū (Tokyo: Amō Eiji nikki shiryō shū kankōkai, 1990), 3:299, 345-347. As Amō put it, the East Asia had received two curses from the West--opium and communism--and it was Japan's duty to act as a bulwark against both.

25Ibid. 3:346.
Part of Nishimura's mission was also to explain to the governments on the continent the nature of the Mitsui-Mitsubishi arrangement regarding Iranian opium.

Gaimushō joyakukyoku, "Manshūkoku Hoku-Shi ahen mayaku mondai shisatsu," 5-7. Korean Monopoly Bureau officials were clearly alarmed by the fact that they had confiscated 12,000 kilograms of illicitly-produced opium in 1938, a six-fold increase from the totals of previous years. However, the officials reported a total of only 2,000 kilograms of opium confiscated in their 1938 report to the League of Nations, in order to avoid uncomfortable international scrutiny of the Government-General's plan to increase poppy acreage.

Ibid., 4. Nishimura's contacts in Keijo complained that the Manchukuo monopoly system had "many defects," and that the prohibition directives from the upper levels of the Manchukuo bureaucracy were not being carried out by officials at the local level.

Ibid., 17. Although Manchukuo officialdom steadily maintained an estimate of approximately 900,000 opium and narcotics addicts, other sources, such as Mantetsu, put the figure at closer to 1,500,000 (see p. 165 above).

Adding to the strain on the opium supply was the Manchukuo government's establishment of a de facto narcotics monopoly and registration of narcotics addicts. In 1937, Manchukuo applied to the Japanese government for the delivery of 1,500 kilograms morphine and heroin, which was produced by Japanese pharmaceutical companies (Hoshi, Sankyo, and Radium) from crude morphine supplied by the Taiwan Monopoly Bureau. In order to avoid "uselessly stirring public opinion," Tokyo did not report the transaction to the Opium Advisory Committee. Japan, Ministry of Foreign Affairs, "Dai jū-ik-kai ahen iinaki," 16 October 1937, Library of Congress Microfilm, WT Series, Shelf Number 5039, Reel 81.

Ibid., 23, 30-31. Manchukuo officials (especially those in Jehol) complained that the regime in northern China was profiting from the sale of smuggled Jehol opium, to the detriment of Manchukuo's efforts to control smuggling.

Ibid., 49. The figure of 2,700,000 opium smokers in northern China was based on an estimate that 3 percent of the entire population of 90,000,000 were smokers.
Officials in northern China told Nishimura that in Peking alone, 2,000 out of a total population of 7,000 Koreans were drug addicts. There was such a high incidence of addiction because many narcotics peddlers inadvertently absorbed traces of airborne morphine and heroin powder while handling the narcotics.

Gaiko shiryōkan and Gaiko shi jiten iinkai, Nihon gaikō shi jiten, new and revised ed., 274.

Kōain, "Ahen ni kansuru uchiawase kōmoku" [Details on arrangements concerning opium], 25 July 1939, in Ahen mondai, 289.

Ibid., 289-290.

Mōkō rengō jichi seifū keizaibu ensei enmuka, "Mōkyō ahen jijō gai setsu" [Overview of the condition of opium in Inner Mongolia], in Eguchi, Nitchū senso ki ahen seisaku, 190-191; Eguchi, Nitchū ahen sensō, 66.

Eguchi, Nitchū ahen sensō, 60-61; Gaiko shiryōkan and Gaiko shi jiten iinkai, Nihon gaikō shi jiten, new and revised ed., 998-999.

Eguchi, Nitchū ahen sensō, 64-67. For a thorough examination of the role of opium in the finances of the three local governments in Inner Mongolia, see Eguchi, Nitchū senso ki ahen seisaku, 60-93.

Gaiko shiryōkan and Gaiko shi jiten iinkai, Nihon gaikō shi jiten, new and revised ed., 999. Meanwhile, the Kōain had established a liaison office in Kalgan in March 1939.

Kōain, "Ahen ni kansuru uchiawase kōmoku," in Ahen mondai, 289.

For the production target of seven million liang, see Kōain, "Shina ni okeru ahen jukyū kankei chōsei ni kansuru uchiawase kaigi" [Conference to arrange the adjustment of the opium supply and demand relationship in China], 11-12, 14 October 1939, in Ahen mondai, 307.

Pekinkyoku, "Shijun jikō" [Inquiry particulars], in Ahen mondai, 333-341. The Provisional Government was renamed when it was nominally absorbed by the Wang Ching-wel regime. However, the North China Political Council remained, in reality, autonomous from the Nanking government.
44. Koain, "Kahoku ahen jijo" [Opium conditions in northern China], 1941, JFMA, File D.2.5.0.1-2.

45. Koain, "Mokyo ahen jijo" [Opium conditions in Inner Mongolia], JFMA, File D.2.5.0.1-2.


48. Ibid.


50. Nanpo kaihatsu ginkō chosaka, "Kyōeiken no ahen jijo" [The opium situation in the Co-Prosperity Sphere], August 1943, in Ahen mondai, 200.

51. "Nanpo senryō chiiki ni okeru ahen seisaku zantei yoryō" [Interim summary of opium policy in the occupied southern territories], in Eguchi, Nitchū sensō ki ahen seisaku, 590-591.

52. Ibid., 591-592. Japanese planners estimated the region's total annual requirements to be approximately 85,000 kilograms of raw opium.

53. Ibid., 590-591.

54. Ibid., 592; Eguchi, Nitchū ahen sensō, 167-168.


On paper, the six-year plan of the Nationalists was very similar to the Manchukuo system, with gradual suppression as the fundamental principle, addict registration, licensed poppy cultivation, and a government monopoly over distribution. One notable difference was that the Nationalist system was enforced with occasional executions of addicts and peddlers, which were carried out publicly for the edification of the Chinese public and to impress Westerners with the Kuomintang's sincere commitment to drug control. Frederick T. Merrill, *Japan and the Opium Menace* (New York: Institute of Pacific Relations and the Foreign Policy Association, 1942), 26-34.


Ibid., 186; "Tairiku ahen mayaku mitsubai genjō hōkoku," JFMA, File D.2.5.0.1-2. Wartime propaganda broadcasts from Manchukuo announced the discovery of a miracle cure for opium addiction. Variously referred to as "Tung Quon" and "Tokosai," the new medicine, concocted from herbs, supposedly cured addicts within a matter of days. This boon to mankind did not come without certain drawbacks, however. It was reported that in addict asylums, where men and women were being housed together, "the sudden reawakening of natural instincts, long dulled by the use of drugs" effected by the rapid cure was causing "various disciplinary problems." United States, Office of Strategic Services, Research and Analysis Branch, "Programs of Japan in Manchoukuo," Honolulu, 1945, 374-377.


"Tairiku ahen mayaku mitsubai genjō hōkoku," JFMA, File D.2.5.0.1-2.

Seisa sošo, "Manshūkoku ahen seisaku," 187-188.

Ibid., 189.

See chapters 3 and 4 above.

Saitō Hiroshi, "Dai-tōa no tokushu shigen (ahen)," September 1943, in *Ahen mondai*, 23.

Ibid., 24

Ibid., 28.
In April 1941, the Welfare Ministry contracted Mitsui to deliver a consignment of 20 chests (33,000 kilograms) of Turkish opium. Mitsui's original plan was to convey the opium by truck from Istanbul to Basra, where it would be loaded onto a ship. However, that plan failed when the British army's occupation of Syria blocked the land route. Mitsui then attempted to arrange to transport the consignment on the Trans-Siberian railroad, but that attempt was also foiled by the outbreak of the war between the Soviet Union and Germany in the summer of 1941.

Kōseishō eiseikyoku, "Sankō shiryō" [Reference materials], September 1941, in Eguchi, Nitchū sensō ki ahen seisaku, 181.

Ibid., 180-181.

Saitō, "Dai-tōa tokushu shigen," 22. Manchukuo did, however, deliver a small amount of crude morphine (approximately 2,500 kilograms) to Japan in 1939 and 1940 for reprocessing into narcotics. Kōseishō eiseikyoku, "Sankō shiryō," 183.

Eguchi, Nitchū ahen sensō, 147.

NOTES

CHAPTER VII

1 Ryo Meishu, Taiwan tochi to ahen mondai (Tokyo: Yamagawa shuppansha, 1983), 234–235.


3 Walker, Opium and Foreign Policy, 174, 195–198.


6 Pritchard and Zale, Tokyo Trial, 1:Appendix A, ii–iii.


8 Ibid., 20:49,159–49,164. See also above, pp. 179–180.

9 In 1937, the prolific Hoshi wrote Nihon ryakushi [A brief history of Japan], in which he averred "to good drugs, there are no [national] boundaries." Hoshi Hajime, Nihon ryakushi (Tokyo: Hoshi dōsōkai, 1937), 2.

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