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Empire and the History of the Drug Trade

A Marxist Review

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Today, if you ask a member of the British public what they think of drugs you will often find that those who deal and consume drugs are often viewed in a criminal way, as a blight on an otherwise good society and that every ill in society would solve itself if it wasn't for the drugs trade. It is also the view that the agents of law enforcement benevolently try their best, in vain, against what is perceived to be the "social scourge" that individuals who usually trade these narcotic consumer goods are portrayed to be. This view is so universal that it is hard to dislodge, since every institution from the corporate media to the church denounces the drugs trade and urge the keeping of the prohibition. This is where a sober analysis of this trade becomes crucial.

What is missing is an analysis which looks for much larger, intractable problems than the simple Hollywood inspired 'good cop vs. bad dealer' and this is what a Marxist analysis does. It aims to show the real effects the war on drugs has and how the drugs prohibition helps to keep the profits flowing for the mega rich and how it keeps the powerful in power.

Since the United States is the chief superpower in this era, we shall concentrate largely upon the drugs trade there, since it has the biggest involvement and also reaps the biggest benefit from this trade. It is also useful to point out that economists tend to avoid the topic of drugs as a commodity, simply because of the negative universal portrayal of this commodity. Our analysis definitely treats drugs as a commodity like any other and contextualises it with a class analysis to show the inherent abuses of power because of the existence of the drugs trade. It is my hope that drugs can be seen in a different light altogether, as a break from the simple and misguided dichotomy which we find as the prevailing opinion of the day.

History. The Drug Trade, Cornerstone of British "Free Trade"

The first major war involving drugs as a commodity were the Opium Wars in the 19th Century. The aim of the war was to open the isolationist Chinese economy to exploitation, global trade, and partial colonial take-over. The Opium wars were a series of conflicts involving the European imperialist powers represented chiefly by the United Kingdom. France was a secondary player in the region to Britain. The wars were fought from 1839 to 1842 and 1856 to 1860. These were chiefly fought over trade of the narcotic called opium, which the British used to extend their imperial influence and profits at the expense of the Chinese Empire. During the Treaty of Nanjing and Tientsin, China had to cede Hong Kong Island and also Southern Kowloon as a territorial concessions. The Chinese peasantry were subjected to massive poverty and decline in their living standards, while the Chinese bourgeoisie benefited from the trade, got rich, and later dominated the state with such drug merchants such as Chiang Kai Shek, head of state in the interwar period.

It was the British East India Company's operations in Bengal, by then occupied by Britain, which produced the opium in their factories undoubtedly putting the workers under starvation wages to feed the profits of men such as John Napier and Charles Elliot. The goods were then shipped to the coast of China and then sold for a good profit. China began to lose control of its finances and also, with the growing number of addicts in China rising, the Emperor Daoguang demanded action to stop this addiction from afflicting the Chinese people. Instead of legalisation, the supporters of suppression won the day and the Chinese then arrested Chinese opium dealers. They laid siege to the firms and demanded that their stock be destroyed. In response, the British brought their gunboats and ravaged the coast of the Chinese mainland leading to further land incursions by other European powers during the Second Opium War which, led to land concessions and pro "free-trade" concessions.

The consequences of this were China's "century of humiliation", opening up to Christian religious missionaries, destitution for its people, land concessions and control of swathes of territory for the benefit of European empires. For Britain, this meant an expansion of trade in East Asia for well over a century. For us, this shows the first example of how government complicity in the production, exchange, and distribution of the drugs trade emerged from Victorian Britain and how it was openly used in an imperial way to subjugate and pacify the country for exploitation. On a more general level it shows us that "free markets", as was the norm during the Victorian Britain, have a undeniable dependence on the state, and without the state, those markets could not have opened up East Asia by themselves.

In the 17th century the same effect was achieved by selling "fire water" to the Native Americans. The British and their colonies would trade their alcohol for furs and pelts and other goods which the Native Americans gave with such naïve innocence. Our current superpower, the United States of America, was founded on such trades with the Native American population, culminating in 8 million deaths and a replacement of one population by another. It is therefore not hard to see the pivotal role which drugs and narcotics play in the imperial power game of states.

Contemporary Drugs Trade

The invasion of Afghanistan in October 2001 unleashed a vast increase in the global production of opium. Opium production in Afghanistan before the invasion was 75% of the worlds total in 1999; after the invasion it comprised of 90% of the worlds total produced in the year 2000. The product was then sold as heroin to the European and Russian Markets. The Taliban used the opium for 96% of its revenue. The other sources coming from Pakistan and the Bin Laden family. The BBC quoted a UN report in 2009, which stated that the opium market, worth $65bn (£39bn), funds global terrorism, caters to 15 million addicts, and kills 100,000 people every year.

According to Global Research, $65 billion is the tip of the iceberg. The extent of the drugs trade in monetary terms amounts to between US$300 and $500 billion world-wide. Most of the funds are laundered by massive financial institutions, such as HSBC who, let it be known, laundered $22 billion of drug money through their affiliate HBUS; they got lightly fined to the tune of $1.9 billion although it is only 1/12th of their profits. The US government and the enforcement agencies ignore the financial aspect of this illegal trade and, as a result, not even one banker got prosecuted or imprisoned for breaking the US law. When we compare this to the imprisonment of the small-time domestic drug dealer and the consumer of drugs, it strikes the sober analyst of this problem as grossly negligent at the very least and premeditated at the very worst!

Catherine Austin Fitts, a former investment banker from Wall Streetwho was interviewed by Oliver Villar, gives us this astonishing insight into the trade:

> "Essentially, I would say the governments run the drug trade, but they're not the ultimate power, they're just one part, if you will, of managing the operations. Nobody can run a drug business, unless the banks will do their transactions and handle their money. If you want to understand who controls the drug trade in a place, you need to ask yourself who is it that has to accept to manage the transactions and to manage the capital, and that will lead you to the answer who's in control."

Villars also corroborates this testimony that since the international drugs trade is around US$300 billion to $500 billion a year and that half of that, something between $150-$250 billion and over, actually goes to the United States. What does this say if you use an imperial political economic approach? It means that the imperial center, the financial center, is getting the most, and so it is in no interest for any great power (or state) to stop this if great amounts of the profits are flowing to the imperial center. It is also wise to note the criminalized status of drugs. It is criminalized in society, but when it comes to the economic and financial sector, it is actually decriminalized. So we have some kind of contradiction and paradox where it would be great if it would be criminalized, but when it comes to the financial sector, it is lax, unregulated, and as we know, the US Federal Reserve can monitor any deposit over $10,000, so it's not that they don't know – they know what's going on. If this is the case, It is no surprise to see a vast number of money laundering banks, which include: HSBC, Western Union, Bank of America, JP Morgan Chase & Co, Citigroup, Wachovia amongst many others that have allegedly failed to comply with American and British anti-money laundering (AML) laws.

The Bush and Obama Departments of Justice spent trillions of dollars fighting the combined "war on terrorism" and "the war on drugs", while simultaneously allowing US banks to launder money for the cause that the US is supposedly at war with! This is an active demonstration of the contradictions of Capitalism in a global microcosm. The fight against global Jihad finds itself in the same contradiction because many of the terrorist cells are funded by the Gulf States and Saudi Arabia, who are in turn funded by the United States' and Europe's addiction to oil. This key contradiction is the reason why the US cannot win "the war on drugs" and "the war on terror" because it is undermined by its very own private institutions belonging to finance and oil bourgeois. Thereby, or so we think, underlining a conflict of interest of these bourgeois.

Drugs: The Great Game

Another aspect to the war on drugs is its use of foreign and domestic policy as a tool. On April 4th 1948 Jorge Elicére Gaitán, a populist, Liberal politician who promised land reform, was murdered by the US backed ultra-conservative oligarchy which now rules Colombia; this started what is now known in Colombia as "La Violencia". The Cold War was the justification the US needed to use state violence in which 300,000 people died from 1948 to 1958. The people most liable to be murdered were trade union members, students in associations, peasant organizations, and the same kind of what are considered subversive elements in Colombia. Undeniably, more trade unionists are killed in Colombia than in the whole world combined. It has the lowest rate of unionization in the whole continent and it has actually come to the point where there are not many more unionists to murder. Since 2002 onwards more than 250,000 people have lost their lives in the state-sponsored terrorism.

Due to the Chinese Communist revolution's success in combating the drugs trade from 1949 onwards, and also the victory of the Communists in Vietnam in 1975 with their success in fighting the addictions of their people, they reduced the profits of the drugs organisation and the profits of the imperial backers of these organisations. It is a historical footnote to state that Chiang Kai Shek was a drug merchant himself before he took state power and that many involved in the anti-communist reactionary counterinsurgency in Vietnam had links to the international drugs trade. The drug organisations' production were historically based in Indonesia, Malaysia, and Thailand due the historical importance of the Opium Wars and Britain's global hegemony at the time. The shift of the drugs trade is mirrored in the shift of global power from one country to another (i.e. from Great Britain to the United States). The US has always sought dominion over Latin America as stated in the Monroe Doctrine. It is, therefore, not a giant leap of the imagination to state drugs are a directly imperial commodity along with oil and finance.

In aggregate, the US has spent about US$1 trillion throughout the globe on "the war on drugs/terror". There are a few questions we should be asking ourselves about these parallels, which are more than a coincidence. Has it failed the drug money-laundering banks? Has it failed the key Western financial centers? Has it failed the narco-bourgeoisie in Colombia – or in Afghanistan, where we can see similar patterns emerging? No. Is it a success in maintaining the political economy? Yes! It is with real irony that one must imagine the cognitive dissonance the global feral elite are going through and how "oppressed" they claim to be!

This feeling of isolation they feel in their gated communities we see in Colombia and Mexico, laundering drugs and oppressing the working-class, demonstrates Marx's idea that the narco-bourgoisie, by oppressing the working-class, oppress themselves in many ways by their very own system! And why this shows the universal need for a Socialist revolution, which will come across with the need to abolish private property. Which will, in the end, benefit all classes.

Social Solution

The drugs trade is a global phenomenon, which is intimately linked to imperial power since the 17th century in its modern form. It stands up to logic that to end the drugs trade, there must be a global anti-imperial movement, with the right analysis identifying the link between the global drugs trade and US hegemony. The legalisation, taxation, and regulation of all drugs in the UK for example is only one piece of the puzzle. Drugs, as Russel Brand and Matthew Perry have said in recent interviews, should be viewed as an illness; treating drugs users with clean needles for their own use to stop, for example, the spread of the HIV virus.

Treatments could include centres where abstinence based recovery is the norm and that these young men and women are found jobs, a good education, a good home, and plenty of social contact and emotional support to help them recover and lead a better life. To me, this means following a Socialist plan for the economy. Simultaneously, this should be in conjunction with a fully public National Health Service, renationalised, which is paid for by National Insurance and is free at the point of use. The corporations behind the NHS should be put under democratic workers' ownership with a national plan to put their monopoly on pharmaceuticals firmly in the people's hands.

Our foreign policy should keep this in mind for its agenda: Helping improve people's lives all

across the world and decreasing the death toll in countries like Colombia, Afghanistan and Somalia by dismantling the international structures of the trade and by reducing the demand for those drugs, and destroying the need to produce many of the world's most addictive narcotics, the profits of which go into the hands of reactionary global terrorist organisations. If this model can be adopted by Socialist governments, it stands to reason that the world could, with a lot of hard work, become a more peaceful and enlightened place to live in.

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