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The future policy of Japan towards Asiatic countries should be similar to that of the United States towards their neighbors.... A “Japanese Monroe Doctrine” in Asia will remove the temptation to European encroachment, and Japan will be recognized as the leader of the Asiatic nations.

—President Theodore Roosevelt¹

The people of China well over a century have been, in thought and in objective, closer to us Americans than almost any other peoples in the world—the same great ideals. China, in the last—less than half a century has become one of the great democracies of the world.

—President Franklin Delano Roosevelt²

Two American presidents from the first half of the twentieth century blazed the path into Asia still followed by the United States today. These two presidents were cousins, and, although they lived a generation apart, both followed similar paths to power: from New York State legislator to assistant secretary of the Navy to New York governor and, finally, to president of the United States.

Both Presidents Roosevelt conducted their Asian diplomacy in similar style, personally taking the reins to deal directly and secretly with Asian affairs, often circumventing their own State Departments. Neither Roosevelt traveled to Asia or knew many Asians, but both were

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Presidents Theodore and Franklin Delano Roosevelt (Courtesy of the Library of Congress)

supremely confident that they had special insights. The parallels are not exact. Theodore was enamored of Japan and allowed himself to be taken in by a propaganda campaign directed from Tokyo and led by a Harvard-educated Japanese friend. In contrast, Franklin favored China and was influenced by his own Harvard-educated Chinese friend.

Theodore Roosevelt was awarded the Nobel Peace Prize for bringing the combatants in the Russo-Japanese War to the peace table. Almost unknown in the United States, though, are the president's backdoor negotiations with Emperor Meiji of Japan over the fate of an independent country, the empire of Korea. During these secret talks, brokered by Meiji's Harvard-educated envoy, Roosevelt agreed to stand aside and allow Japan to subjugate Korea as a colony, becoming the first world leader to sanction Japan's expansion onto the Asian continent.

Sumner Welles, Franklin Delano Roosevelt's friend and the assistant secretary of state, observed, "No one close to the President could have failed to recognize the deep feeling of friendship for China that he had inherited from his mother's side of his family."³ After a meeting to discuss China policy with FDR, one administration official recalled,

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“We might as well have saved our breath. Roosevelt put an end to the discussion by looking up and recalling that his ancestors used to trade with China.”⁴

Indeed they had. Franklin Delano Roosevelt’s grandfather Warren Delano was one of the first Americans to travel to what was seen by Americans as “Old China,” where he made a dynastic fortune in the illegal opium trade. As a U.S. consul, Delano oversaw the first American military incursion into China. It was from his Delano line that Roosevelt inherited his love of the sea, his princely fortune, and his confidence that he knew how to handle China. Roosevelt later observed, “What vitality I have is not inherited from Roosevelts . . . mine, such as it is, comes from the Delanos.”⁵

Dealing drugs was only part of Warren Delano’s mission. Much as his European ancestors had carved “New England” territory from Indian lands on America’s Atlantic coast, he helped carve “New



Warren Delano, Hong Kong, 1860 (CPA Media / Pictures from History)

China” enclaves—westernized and Christianized areas—like Hong Kong on China’s Pacific coast. Delano, like many Americans, believed that this was only the beginning, that just as they were sweeping across North America, someday Christian and American values would change China.

Like most Americans, the Roosevelts had only a meager understanding of Asia. Waves of immigration had brought people from all over the world to the United States, but after the Transcontinental Railroad was completed, the Chinese Exclusion Act of 1882 made it illegal for a Chinese person to enter the country. True, some westernized Chinese were exempted and allowed in as students, businessmen, and diplomats, but they were few and far between. Almost no Chinese could be found in the halls of the White House or the offices of Wall Street.

Likewise, very few Americans had ever traveled to China. Yes, some American missionaries, businessmen, and diplomats made it across the Pacific, but they clung mostly to the westernized New China settlements on the coast. These Americans wrote home about a cultural and spiritual blossoming of the Chinese under their care, decades of hopeful hogwash foisted on unknowing readers. Both Presidents Roosevelt were thus constantly well informed about New China, that place that was always going to be.

This book examines the American perception of Asia and the gap between that perception and reality. The wide gulf of the Pacific Ocean has prevented Americans and Chinese from knowing each other. Generations of accumulated misunderstanding between these two continental giants has so far led to three major Asian wars that have left millions dead and has distorted U.S. domestic politics and foreign policy.

My father, John Bradley, was one of the six men photographed raising the American flag on the island of Iwo Jima during World War II. When I was forty-six years old I published *Flags of Our Fathers*, a book about my dad’s experiences. Now I am sixty years old and I

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continue to honor the young men who fought in that horrible war, but I increasingly doubt my father's elders, the men in power who allowed Americans to be sucked into a world war at a time when the U.S. military was preparing for war in Europe and was not ready to fight in distant Asia.

Japan surprised the United States at Pearl Harbor on December 7, 1941. On December 8, the U.S. Congress declared war against Japan, but not well remembered is what Americans on that day thought they were fighting *for*. One of the millions who served in America's Asian war was John F. Kennedy, who later recalled,

It was clearly enunciated that the independence of China... was the fundamental object of our Far Eastern policy...that this and other statements of our policies on the Far East led directly to the attack on Pearl Harbor is well known. And it might be said that we almost knowingly entered into combat with Japan to preserve the independence of China.⁶

For generations, American hearts had been warmed by the missionary dream of a New China peopled by Americanized Christians. Then, beginning slowly in the early 1930s, a foreign-funded China Lobby sprouted in the United States and gained powerful adherents in the U.S. government, in the media, and in pulpits across the country. By 1941, nearly a decade of China Lobby propaganda had been pumped into American churches, homes, and heads, convincing the vast majority of Americans that a Christianized and Americanized New China would blossom as their best friend in Asia if the United States drove the Japanese military out of China.

The China Lobby's premise was that the Japanese military would be forced to withdraw from China if the United States embargoed Japan's oil. President Franklin Delano Roosevelt thought the opposite. Japan—with little domestic production—had only two major sources of oil: California and the Dutch East Indies (today's Indonesia). Roosevelt had a "Europe first" policy in case of war: the United States would defeat Hitler, and then, if necessary, confront the Japanese. Since the United States was supplying over 80 percent of Japan's oil,

FDR thought that if he cut off the California pump, the Japanese military would thrust south toward the Dutch East Indies, and the United States would be drawn into an unwanted Asian war.

Many administration officials were outraged by what they considered to be Roosevelt's appeasement of Japan. They — like the majority of Americans — had swallowed the China Lobby line that an oil embargo would force Japan out of China and that there would be no danger of the United States getting involved militarily. And with the Japanese no longer a threat, the great Chiang Kai-shek would ascend to undiluted command — and a Christian and democratic China would follow. (British prime minister Winston Churchill called the New China dream the "Great American illusion.")

This is the story of how a few of these officials surreptitiously outmaneuvered and undermined the president of the United States and thrust America into an unwanted Asian war. My father and millions of others fought in a conflict that didn't have to happen, a war that Franklin Delano Roosevelt was trying to avoid, one that could have been prevented or delayed if some overconfident administration officials had heeded their president instead of the China Lobby.

Today, seventy years after World War II, many imagine America went to war against Hitler to save England. History books and a recent television series on the Roosevelts recall the fierce tussle between American isolationists and internationalists in the lead-up to World War II, showing a fiery Charles Lindbergh and other public figures debating what the United States should do across the Atlantic. These stories feature a bold FDR reaching out to Winston Churchill via secret private emissaries like Harry Hopkins, Averell Harriman, and Wild Bill Donovan.

Little noted is that the debate about America's helping Britain was never decided. The U.S. did not enter World War II to defend Britain or oppose Hitler. On December 8, 1941, the United States declared war on Japan and only Japan. Three long days passed, and the United States did not declare war on Germany to defend England. It was only when Adolf Hitler rashly declared war on the U.S. that Americans went to war in Europe.

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World War II burst upon America from Asia. Charles Lindbergh's Atlantic focus is better remembered, but it was the China Lobby's arguments about peoples across the Pacific that changed American history.

When Mao Zedong rose to power in 1949, the U.S. government and media portrayed him as an angry, anti-American Soviet pawn, going so far as to paint Mao as not a "real Chinese," an idea believable because Americans had for decades been propagandized by the China Lobby that authentic Chinese yearned to be Christianized and Americanized. The American public did not realize that five years earlier, Mao had repeatedly extended his hand in friendship, enthusiastically describing to his State Department interlocutors a symbiotic relationship combining U.S. industrial know-how with China's limitless workforce. Mao—who had never flown in an airplane—reached out to President Roosevelt in 1945, saying he was eager to fly to the United States to discuss his vision, a historic opportunity that New China-believing Americans tragically nipped in the bud.

When the U.S.-spurned Mao turned to the USSR, Americans imagined they had lost China, and the United States replanted its New China dream on the island of Taiwan. Senator Joseph McCarthy asked, "Who lost China?" and launched a witch hunt—supported by the China Lobby—that drove the State Department specialists who had dealt with Mao out of the government. Having made itself blind on Asia, Washington then stumbled into the Korean and Vietnam Wars.

The who-lost-China hysteria helped topple the administration of President Harry Truman, distorted U.S. domestic politics, and haunted Dwight Eisenhower, John Kennedy, Lyndon Johnson, and Richard Nixon as these presidents tried not to lose again in Asia.

The China Lobby also warped U.S. foreign policy. From 1949 to 1979, the world's most powerful country refused to have official state-to-state relations with the world's most populous country. But consider your smartphone, which was probably manufactured in China, and you can see that Mao's vision of the relationship—not America's New China dream—is the one that triumphed. Like World

War II in the Pacific, the destructive thirty years of estrangement between Mao's China and the United States did not have to happen.

The Roosevelts' actions in Asia are relatively unknown to Americans, even though the results are clear.

Go to New York City's Chinatown and you'll see the only two statues that Chinese Americans have erected there: one for the revered Confucius and the other for the Chinese government official who asked Warren Delano to stop smuggling opium into China.

Stroll through Seoul, South Korea, and you will come across a memorial honoring an American civilian, the only such statue in downtown Seoul. In 1905, the emperor of Korea had felt the Japanese military's hands tightening around his country's neck. He dispatched an American friend from Seoul to Washington to plead with President Theodore Roosevelt for Korea's continued independence. Roosevelt refused to help. Korea then fell under Japan's control for forty years. Today Koreans honor the American who begged Theodore Roosevelt for Korea's freedom.

Go to South Asia today, look up at the Pakistani sky, and you might see an American drone. The American president controls this lethal program within the executive branch; it's a private air force that's operated with little congressional oversight. Franklin Delano Roosevelt created this secret executive air force one year *before* Pearl Harbor in an attempt to keep the New China dream alive.

Today the United States is the world's largest developed country and China is the largest developing country. Like two huge balloons in a closed room, they will inevitably bump up against each other. The reactions will depend on each side's understanding of and empathy for the other. This is a book about the American disaster in Asia as a result of a mirage in the American mind. The stakes in understanding these past missteps are enormous and, to me, personal. My father was severely wounded in 1945, and in 1968 my brother almost died, both fighting in Asian wars that didn't have to happen. I don't want my son

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in boot camp like his grandfather and uncle simply because of more misunderstandings between the Pacific's two great powers.

Today, the United States and China—while cooperating to build wealth—are once again massively uninformed about each other. There was a time when everyone in the United States knew that Mao Zedong and Zhou Enlai were China's top leaders and everyone in China recognized President Nixon and Henry Kissinger. A measure of the current relationship is that almost no Americans can name the top two Chinese leaders today and ninety-year-old Henry Kissinger remains China's most recognizable American friend.

With only a narrow, rickety bridge of fellowship crossing the Pacific, misunderstandings are flourishing and both countries employ heated rhetoric. On the American side, generations of missionary dreams about New China created an assumption in the United States about a reality that never existed in Asia. The China mirage took hold in the nineteenth century, affected U.S. foreign policy and domestic politics in the twentieth century, and continues to misguide America. Perhaps the cautionary tale revealed in this book will motivate people in both countries to strengthen that bridge across the Pacific before it's too late. Again.



Chapter 1

OLD CHINA, NEW CHINA

*China can never be reformed from within. The manifold needs of China...
will be met permanently, completely, only by Christian civilization.*
—Reverend Arthur Henderson Smith¹

The written histories of Franklin Delano Roosevelt and his Delano ancestors chronicle their childhoods, schooling, marriages, careers, children, deaths, and legacies. Curiously, the source of Franklin Delano Roosevelt's dynastic wealth is little commented upon by the chroniclers. As the esteemed Roosevelt historian Geoffrey Ward wrote, "The full story of Warren Delano's career in the China trade has not been written."²

Warren Delano was a blueblood. His forebears had left Europe and arrived in Plymouth, Massachusetts, just two ships after the *Mayflower* brought the first colonists to New England. The Delanos were among the earliest settlers of the area of southern Massachusetts—New Bedford, Buzzards Bay, and Fairhaven—that produced so many of America's original whalers and sea merchants.

Warren's father—also named Warren—made a substantial income ferrying corn, salt, and potatoes to New Orleans, England, and the

Canary Islands. The first Warren helped found a Fairhaven church—the Washington Street Christian meeting place on Walnut Street—and his former residence is today the Delano Homestead Bed-and-Breakfast. Warren Junior graduated from Fairhaven Academy—a local trade school—in 1842, and he apprenticed with the Boston importer Hathaway and Company and then with one of New York’s premier importers, Goodhue and Company.

Great Britain had decided many years earlier that the Chinese frontier was much more lucrative than America’s. By sailing halfway around the world, Delano could participate in the single largest commodity trade of the nineteenth century: smuggling opium into China. Such an enterprise promised him a quick killing and world-class wealth before the age of thirty. Delano grabbed his big chance.

For centuries, China was the richest country on earth, and its people thought it natural that outsiders would come to China to learn from their superior culture. The Chinese saw these visitors as barbarians—more specifically, as *fan kwei*, “foreign devils”: second-class vassals, pitiful in their desperation for Chinese knowledge and goods.

In the late seventeenth century, the English began to import enormous quantities of Chinese tea to satisfy and stimulate its new factory-worker class. British silver flowed in increasingly alarming amounts from London’s vaults to the Middle Kingdom, but the money went only one way; the Chinese wanted few English products. The constant importation of Chinese tea to the West caused a gargantuan drain of silver from Europe to Asia. China was a rich country in the 1700s, its population tripling over the course of the century from about one hundred million to over three hundred million.

The imbalance in trade quickly decimated the coffers of many European nations, hitting Britain particularly hard. Deeply concerned, London hit upon a corrective that took advantage of England’s colonial holding of India, its naval might, and its disdain for the Chinese. The Brits’ dependence on tea made them subject to the Chinese, but they saw a way to reverse the situation, and the flow of silver.

* * *

In the Confucian value system, merchants—consumed by thoughts of profit—were near the bottom of the social scale. Those concerned with the people’s welfare—the mandarins who studied the classics and served the emperor—were at the top of the heap. “Barbarian” merchants could access China’s market only by making clear they knew their place in the pecking order and following the tribute system. This required foreign missions to travel to Beijing to pay tribute to the emperor and acknowledge their inferiority by kowtowing—kneeling in front of the Son of Heaven (as he was known) and touching their foreheads to the floor. After the foreign devils acknowledged China’s superiority and offered valuable tribute, the Son of Heaven benevolently allowed them to purchase the riches of the Middle Kingdom.

Over millennia, barbarians had traveled to China from Korea, Japan, Mongolia, Vietnam, Malaysia, Laos, Cambodia, and many other countries. In the Middle Ages, Europeans ventured in their tiny ships out into the world’s oceans, and a new type of foreign devil arrived in China: the sea barbarians, funny-looking, long-nosed cow-eaters in tight trousers and high hats.

In the course of becoming a world power, Great Britain grew accustomed to imposing its trade terms on people around the globe. But China’s restrictive tribute system was slow, cumbersome, and devoid of any respect for the British. In 1793, King George III of England sent emissaries to Beijing with impertinent demands. Among these was the unthinkable call for the emperor to cede a piece of land—an island or a coastal strip—where England could establish a permanent trading post.

King George also insulted the Son of Heaven by suggesting peer-to-peer diplomatic relations. The English did not comprehend that the Son of Heaven could never comply with this. China had no foreign affairs office because it shunned official relationships with barbarian countries. Instead, the emperor managed trading relations with foreign devils through his Barbarian Management Bureau, whose

mandarins forwarded this response from the Son of Heaven to the English sovereign:

Our Celestial Empire possesses all things in prolific abundance and lacks no product within its borders. There is therefore no need to import the manufactures of outside barbarians in exchange for our own produce. But as the tea, silk, and porcelain which the Celestial Empire produces are absolute necessities to European nations and to yourselves, we have permitted, as a signal mark of favor, that foreign hong [private businessmen who paid the government for the right to trade with barbarians] should be established at Canton, so that your wants might be supplied and your country thus participate in our beneficence.³

The Barbarian Management Bureau's mandarins designed the Canton system above all to protect ordinary Chinese from infection by the low character and animal nature of foreign devils like Warren Delano. To begin with, the port of Canton, in China's hot and humid south, was about as far away as possible from the Son of Heaven's home in Beijing. The system required the sea barbarians to live and work in white-washed warehouses located *outside* Canton's city wall.⁴ When the roughly four-month trading season was over, the foreign-devil traders had to leave Canton immediately.

If sea barbarians wanted to trade with the Middle Kingdom, they could humble themselves and submit to the Canton system. But the English—and, later, the Americans—were not used to humbling themselves. Quite the contrary.

Like grapes and ginseng, the product that would make Warren Delano a wealthy man grows best in certain parts of the world. The prime opium-producing area was a vast swath stretching five hundred miles across the Bengal region of India. Arab merchants dominated the India-to-China opium trade for hundreds of years, until Portuguese sailors took it over in the sixteenth century. The Portuguese also

brought tobacco from their Brazilian colony, and the Chinese especially enjoyed smoking tobacco mixed with opium. Sensing the potential harm to his people, the emperor outlawed the sale and use of opium.

Opium was big business for the British, one of the critical economic engines of the era. Britain controlled India and oversaw one million Indian opium farmers. By 1850, the drug accounted for a staggering 15 to 20 percent of the British Empire's revenue, and the India-to-China opium business became, in the words of Frederic Wakeman, a leading historian of the period, the "world's most valuable single commodity trade of the nineteenth century."⁵ Notes Carl Trocki, author of *Opium, Empire and the Global Economy*, "The entire commercial infrastructure of European trade in Asia was built around opium."⁶

The Chinese emperor had outlawed opium, so some back in England judged that this illegal business had to be immoral. To evade criticism, the British government employed the ruse of selling the opium in Calcutta to a private Crown-chartered enterprise—the East India Company—and pretended that London wasn't involved with what happened next. East India Company ships sailed the contraband up the Chinese coast and, with the protection of British naval might and expertise, used both offshore islands and anchored ships to stash the drugs. Chinese criminals would row out to the offshore drug warehouses to get the English opium. Massive bribery of local officials made the trade possible.

The British were breaking Chinese law and pushing back against the restrictive Canton system. Exploiting coves and islands along China's rocky coast, the sea barbarians opened more areas for their illegal trade, while partnerships with local gangsters allowed further circumvention. One English merchant reflected on his work in Asia:

No doubt your anticipations of future evil have a certain foundation. . . . But it is my business to make a fortune with the least possible loss of time. . . . In two or three years at farthest, I hope to realize a fortune and get away and what can it matter to me, if all Shanghai disappear afterwards, in fire or flood? You must

not expect men in my situation to condemn themselves to years of prolonged exile in an unhealthy climate for the benefit of posterity. We are moneymaking, practical men. Our business is to make money, as much and as fast as we can.⁷

The India-to-China opium trade was exclusively the domain of the East India Company; no private English merchants were allowed in. The British Parliament forbade America's colonial merchants to trade directly with China, forcing them to buy tea from British sources and thus generating substantial tax revenue for London. (The Boston Tea Party in 1773 was a protest by American colonists against this British tax on a Chinese product.) In 1784, with the ink barely dry on the Treaty of Paris, which ended the American Revolutionary War, Robert Morris—a wealthy Philadelphian known as “the financier of the Revolution”—dispatched a ship called the *Empress of China* to Canton. Morris had done his research well and sent off an attractive cargo of ginseng (which grew wild on the shores of the Hudson River), a valuable herb esteemed by the Chinese, along with a variety of other wares. The goods sold quickly in Canton, and with the proceeds, the American sailors bought Chinese tea, which they sold profitably back in the United States. Morris's venture—the first successful American round-trip trade voyage to China—turned a whopping profit of 35 percent, which spurred more American interest in the China trade.

A number of East Coast merchants then pooled their resources to send ginseng, South Pacific sealskins, and Hawaiian sandalwood to Canton. But the American sea merchants encountered the same problem as their British counterparts had: before long, the new nation had its own trade imbalance, thanks to its appetite for Chinese tea. American merchants sourced a supply of opium in Turkey, and because private British merchants weren't allowed to carry it, the Americans had a virtual monopoly on the Turkey-to-China opium trade. Soon these East Coast families—led by the Perkins clan of Boston—were raking in fortunes. One American opium merchant estimated that the Turkey-to-Canton opium trade turned profits of 37.5 percent.

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Samuel Russell of Middletown, Connecticut, established Russell and Company, which quickly became America's biggest smuggler of Turkish opium into China.

Russell put out the word that he would train ambitious young men and that they could score what China traders called a "competence," a profit of \$100,000, by the time they were thirty years old. (This was the equivalent of a young person today amassing millions of dollars within six years of graduating from college.) A fortune of that size in the capital-poor United States would assure its owner a comfortable life of financial independence and social leadership.

Warren Delano's breeding and education made him one of the lucky few who caught the eye of Samuel Russell. Delano, twenty-four years old, sailed out of New Bedford, Massachusetts, in 1833. He met Russell for the first time in Macao, a small Portuguese enclave on China's coast where American sea barbarians lived while awaiting the



Samuel Russell (CPA Media / Pictures From History)

fall-to-winter trading season during which China would allow them entrance into the Middle Kingdom.

Delano began studying the many items Russell and Company imported to the United States, including tea; he learned its many shades and how to buy, store, and ship it. Silk, chinaware, and other items had to be accounted for in the ledger books, and there was a steady flow of mail to tend to. It was an intense apprenticeship, and Delano was learning from the founder, an ideal position.

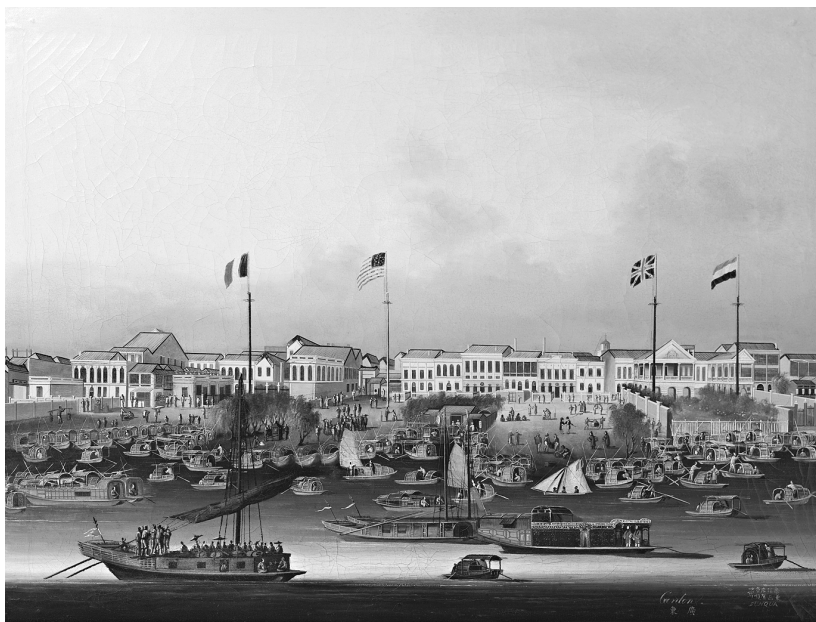
Then came the exciting day when Delano sailed to China for the first time, going north from Macao to the Pearl River Delta, where the Russell and Company warehouse was situated on the riverbank outside Canton's walls.

The Russell and Company warehouse—a compact three-story building housing about a dozen partners—would become Delano's home, but it also functioned as a place of business and recreation, a storeroom, and even a church. The lower floor held the merchandise, kitchen, and servants' quarters. The upper floors held the offices, dining room, and traders' personal quarters.

As a barbarian within the Canton system, Delano was ordered to stay put. Under no circumstances was he to enter Canton or any other city in China. Delano could not travel to the real China, walk through a Chinese village, or see a rural rice paddy. And that's just how the Chinese wanted it.

Delano was governed by the Canton system's rules. Barbarian traders like him never dealt directly with an official of the Chinese government; the odious business of interacting with foreign devils was assigned to the hong merchants. The rules decreed that one of the worst crimes a Chinese person could commit was teaching the Chinese language to a barbarian. As a result, Delano learned a pidgin or business lingua franca that was neither English nor Chinese. He could not carry a gun. He could not gather with others in a group larger than ten. He could not row a boat on the river, and for exercise, he could stroll along only a small strip of land. Once a year, he and other barbarian traders were allowed a walk in the gardens on the oppo-

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The Son of Heaven restricted the sea barbarian traders to a tiny spit of land outside Canton's borders. (CPA Media / Pictures From History)

site shore, but only under the watchful eyes of government-appointed minders. The Russell and Company warehouse had Chinese servants to cook and clean, but these were provided by their hong overseer, who used them as spies.

What little of Chinese life Warren was able to glimpse he found downright weird. At the dinner table his Chinese hosts placed Warren at their left as the honored guest and kept their hats on. The food was served in bowls, the wine was warm, and the Chinese ate with sticks instead of knives and forks. Chinese read from up to down and from right to left. Their last names came first and their compasses pointed south. Chinese friends greeted each other by closing their hands and letting them hang limply by their sides. Porters with Warren's luggage walked ahead of him; Chinese shoes were broad in front and narrow at the heel; the men wore gowns and the women trousers.

The hong merchant assigned to deal with Russell and Company was

named Howqua. He was the emperor's official minder of Russell's men, and he would trade with Delano and oversee his warehouse. It is believed that through his dealings with Americans and other barbarians, Howqua became one of the richest men in the world.⁸

John Perkins Cushing — also a Russell and Company partner — had preceded Delano and initiated the close American relationship with Howqua. The two men had established an offshore base — an anchored, floating warehouse — where Russell and Company ships would offload their opium contraband before continuing up the Pearl River Delta to Canton with their legal cargo.

In the dark of night, “scrambling crabs” — long, sleek, heavily armed crafts propelled by as many as sixty oarsmen — rowed out to Russell and Company's floating warehouse and exchanged silver for opium. The entire transaction happened very quickly and enabled Howqua's and Cushing's hands to stay clean. The dirty work — the illegal landing of the drug on Chinese soil, the bribing of officials to look the other way, the wholesaling to opium dens and retailing to street addicts — was performed by Chinese criminal gangs.

In similar fashion, a procession of American sea merchants made their fortunes smuggling opium. They were aware of its poisonous effects on the Chinese people, but few of them ever mentioned the drug in the thousands of pages of letters and documents they sent back to America. Robert Bennet Forbes — a Russell and Company contemporary of Delano's — defended his involvement with opium by noting that some of America's best families were involved, “those to whom I have always been accustomed to look up as exponents of all that was honorable in trade — the Perkins, the Peabodys, the Russells and the Lows.”⁹

On a macroeconomic level, the sea barbarians had turned the tables, as Chinese silver now flowed to Europe. But to the Chinese, the opium trade was an unmixed evil, corrupting its officials, demoralizing its people (including, most vexingly, its soldiery), draining its wealth, raising the cost of living, and undermining the Son of Heaven's authority.

Most alarming to the mandarins in Beijing was the potential erosion of what they believed to be the Mandate of Heaven. Peace and prosperity meant that Heaven favored the current ruler; if chaos appeared, it was a sign that Heaven was displeased with the emperor and that the Mandate was in play.

In the West, the divine right of kings granted legitimacy to royal families from generation to generation, guaranteeing that the lowborn would not revolt, for revolution was a sin. In contrast, the Mandate of Heaven gave the Chinese people the right of rebellion. A successful revolt against a sitting emperor was interpreted as evidence that Heaven wanted the Mandate to pass to the next ruler. One of the key indicators that Heaven was displeased was an emperor's inability to discipline barbarians.

In their cramped and restricted situation, Delano and his fellows fantasized about having Christianized and westernized enclaves where they could conduct themselves as they wished, under their own rules. The American missionaries who were just beginning to arrive via merchant ships shared these desires and had additional demands. The Barbarian Management Bureau had earlier threatened American churchmen with beheading if they were caught spreading the evil religion of Christianity. By 1838—with their country's military might supporting them—missionaries insisted on the right not only to preach but also to build schools, hospitals, churches, and cemeteries on Chinese soil, to learn the Chinese language, and in general to be left alone in their quest to change pagans into Americanized and Christianized New Chinese.

In 1839, when Warren Delano was thirty years old and the number-two partner in Russell and Company, the tension between East and West exploded around him. For the previous two years, the governor of Hunan Province—Lin Zexu—had suppressed the sale and use of opium in Hunan. The Son of Heaven now transferred Lin to Canton as an imperial commissioner to stamp out the opium trade there.

Commissioner Lin demanded that Delano and the other foreign devils

come clean and hand over their opium stocks.¹⁰ When the sea barbarians coyly replied they had no opium, he tightened the screws by surrounding their warehouses with troops and withdrawing their Chinese servants. Suddenly, Delano found himself cooking his own meals in the Russell and Company kitchen.

To break out of their hopeless situation, the traders eventually forfeited their valuable opium. (Only the biggest English smugglers turned over more than Delano.) Then, in view of cheering Chinese, Commissioner Lin had three enormous trenches dug. Day after day, workers shoveled the seized opium into the water-filled gullies, mixed it with salt and lime, and flushed the mixture out into the ocean.

A month later, in July 1839, Commissioner Lin addressed a letter to Queen Victoria, then just twenty years old, only two years on the British throne:

We have heard that in your own country opium is prohibited... this is a strong proof that you know full well how hurtful it is to mankind. Since then you do not permit it to injure your own country, you ought not to have the injurious drug transferred to another country....Of the products which China exports to your foreign countries, there is not one which is not beneficial to mankind....Has China (we should like to ask) ever yet sent forth a noxious article from its soil?...[If] foreigners came from another country, and brought opium into England, and seduced the people of your country to smoke it, would not you, the sovereign of the said country, look upon such a procedure with anger, and in your just indignation endeavor to get rid of it?...

Let your highness immediately, upon the receipt of this communication, inform us promptly of the state of matters, and of the measure you are pursuing utterly to put a stop to the opium evil. Please let your reply be speedy...

P.S. We annex an abstract of the new law, now about to be put in force. "Any foreigner or foreigners bringing opium to the Central Land, with design to sell the same, the principals shall

most assuredly be decapitated, and the accessories strangled; and all property (found on board the same ship) shall be confiscated. The space of a year and a half is granted, within the which, if anyone bringing opium by mistake, shall voluntarily step forward and deliver it up, he shall be absolved from all consequences of his crime.”¹¹

As Timothy Brook and Bob Wakabayashi write in their masterly book *Opium Regimes*, “The British Empire could not survive were it deprived of its most important source of capital, the substance that could turn any other commodity into silver.”¹² Queen Victoria speedily dispatched her navy in November 1839 to bombard China’s coast, shocking the government mandarins who had built the Great Wall to keep northern intruders out, never imagining their kingdom would be humbled by sea barbarians who had gained entry through distant Canton. Thus began the First Opium War, which lasted until 1842.

Back in America, Delano’s congressional representative John Quincy Adams told the country that opium smuggling was “a mere incident to the dispute; but no more a cause of the war than the throwing overboard of the tea in Boston harbor was the cause of the North American revolution. The cause of the war is the pretension on the part of the Chinese, that in all their intercourse with other nations, political or otherwise, their superiority must be acknowledged, and manifested in humiliating forms.”¹³

The First Opium War was a boom time for Delano. English traders were forced to observe the British blockade of China, yet valuable cargoes from other sources continued to arrive. Responding to (and encouraging) demand, Delano rented or purchased every ship he could, then charged high transport fees. Delano’s accomplishments were recognized in the midst of the war when, on January 1, 1840, the thirty-one-year-old was named the senior partner of Russell and Company.

Russell and Company senior partners often served as U.S. consuls to Canton, an honorific but empty title, because the Chinese would still not countenance state-to-state relations with barbarians. Appointed

U.S. consul in 1841, Delano cheered the British bombing of China and welcomed the first U.S. warship, commanded by Commodore Lawrence Kearny, dispatched to China to protect American interests.

The Chinese had no effective way to defend themselves against the superior arms and technology of a modern industrialized military. Ravaged on land and sea, China reluctantly capitulated and signed the Treaty of Nanking, the first of what many Chinese still consider the odious “unequal treaties” by which the West would chip away at old China’s sovereignty. China was forced to pay Britain an indemnity of millions and abolish the Canton system. Most alarming, the Treaty of Nanking required China to cede the island of Hong Kong to Britain and to open five ports to trade. In these New Chinas (called treaty ports), foreigners enjoyed extraterritoriality — freedom from Chinese laws and the right to try their own transgressors. Now, just like the first European incursions onto the American continent in the 1600s, white Christians had created an archipelago of trading hubs where Western ways could root and flourish.

With the Canton system destroyed, the drug trade exploded. Soon the British governor of Hong Kong wrote his London masters, “Almost every person...not connected with government is employed in the opium trade.”¹⁴

By early 1843, Delano had spent a momentous decade in the China trade. He had achieved his financial competence and risen to become the head partner of the biggest American firm dealing with China. He had witnessed the destruction of the hated Canton system, the humiliation of the Chinese government, and the creation of New Chinas. Over those ten years, he had seen Westerners transform themselves from huddled supplicants into victors who dictated terms. Delano decided to return to Massachusetts for a short vacation. Commodore Kearny gave him a copy of the Treaty of Nanking to take triumphantly back to the United States for American officials to study as a model for a comparable U.S.-China treaty.¹⁵

Delano’s Chinese partner in crime, Howqua, gave him an elaborate

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In the nineteenth century, the West forced China to grant it special rights in treaty ports, Christian outposts where foreign devils could live by their own rules.

send-off feast, which a witness reported as “about 15 courses—bird’s nest soup—shark fins—pigeons eggs—quail &c—sturgeon’s lip, etc. We were 13 hours getting thro’ with it. It is many years since Howqua has given a Chinese dinner at his own house and perhaps never before did he give to a friend the like of this.”¹⁶

THE CHINA MIRAGE

* * *

Upon his return to Massachusetts, Delano was viewed as a wealthy young man who had made his fortune in China by dealing in tea, silks, and porcelain. Though considered one of a handful of American experts on China, Delano had never explored the country or its culture. The nation that Delano described to his listeners was a mirage; that China could not be internally reformed, and the pitiful, drug-addicted, backward pagan mess of a place was lucky to have Americans on its coast to civilize it via American values and beliefs.

On July 3, 1844, a meeting that would have been inconceivable just a few years earlier took place between American and Chinese government officials. At a table in the Temple of Kun Yam in Macao, Caleb Cushing, a Massachusetts contemporary of Delano's, sat across from a Chinese official and signed a U.S.-China agreement modeled on the Nanking treaty. For half a century, relations between the United States and China had been strictly commercial. Now, after his country had been pummeled by the combined might of a number of Western navies, a Chinese official had greeted a representative of the United States to negotiate the U.S.-China diplomatic and economic relationship. The Treaty of Wangxia allowed five New Chinas, districts where, extraterritoriality established, Americans would rule supreme. They could buy land and erect homes and businesses in these protected pockets without Chinese interference.

As a show of goodwill, Caleb Cushing noted in the treaty that the Chinese had been just in declaring the opium trade illegal. This was a meaningless concession because Americans in their New Chinas could not be tried by Chinese courts, only by U.S. consuls. The consul at the time was Paul Sieman Forbes; he had succeeded Warren Delano in that position, as well as in the position of senior partner in Russell and Company. Therefore, the man who was head of the U.S. consular court was also the man overseeing the biggest American opium-smuggling operation.

Every American who came to China after the Treaty of Wangxia could consider himself a member of a superior civilization—a co-conqueror of the world's oldest empire. Americans named Delano, Russell, Cushing,

Perkins, Forbes, Low, and Green, among others, had helped transform coastal China into a quasi-colony of the sea barbarians.

Warren Delano returned to the China trade, leaving the United States at the end of 1843 with his new wife, eighteen-year-old Catherine Lyman, whom he had met through John Murray Forbes, another man made wealthy by smuggling opium. For three years, the couple lived in Macao in a grand mansion called Arrowdale. When they returned to the United States in 1846, they assumed their place in the ranks of East Coast society. They purchased a sumptuous town house at 39 Lafayette Square in New York City, where their neighbors included Washington Irving and John Jacob Astor.

Opium merchants like Delano provided the seed corn for the economic revolution in America. Delano invested his new fortune in a host of ventures: New York waterfront property, railroads, copper mines in Tennessee and Maryland, and coal mines in Pennsylvania, where a town was named Delano in his honor. The Perkins family, who had pioneered the transport of Turkish opium to China, built Boston's Athenaeum, the Massachusetts General Hospital, and the Perkins Institution for the Blind. America's first railroad—the Quincy Granite Railway—was built to carry stone from Perkins's quarries to the site of the Bunker Hill Monument.

Opium money funded any number of significant institutions in the eastern United States. John Perkins Cushing's profitable relationship with Howqua helped finance the construction of America's first great textile manufacturing city, Lowell, Massachusetts.

America's great East Coast universities owe a great deal to opium profits. Much of the land upon which Yale University stands was provided by Russell family money. A Russell family trust still covers the budget of Yale's Skull and Bones Society, and Russell funds built the famously secretive club's headquarters. Columbia University's most recognizable building is the Low Memorial Library, honoring Abiel Abbot Low, who worked in China with Warren Delano in the 1830s. John Cleve Green was Delano's immediate predecessor as a senior partner in Russell and Company, and he was Princeton University's

single largest donor, financing three buildings. (Green also founded America's oldest orthopedic hospital — Manhattan's Hospital for Special Surgery — from his opium fortune.)

Among the railways financed with opium money were the Boston and Lowell (Perkins), the Michigan Central (Forbes), the Chicago, Burlington, and Quincy (Forbes), and the Chesapeake and Ohio (Low), among others.

The influence of these opium fortunes seeped into virtually every aspect of American life. That influence was cultural: the transcendentalist Ralph Waldo Emerson married John Murray Forbes's daughter, and his father-in-law's fortune helped provide Emerson with the cushion to become a professional thinker. It was found in technology: Forbes's son watched over his father's investment in the Bell Telephone Company as its first president, and Abiel Abbot Low provided start-up money for the first transatlantic cable. And it was ideological: Joseph Coolidge's heirs founded the Council on Foreign Relations. Several companies that would play major roles in American history were also the product of drug profits, among them the United Fruit Company, started by the Coolidge family. Scratch the history of an institution or a person with the name Forbes attached to it, and there's a good chance you'll see that opium is involved. Secretary of State John Forbes Kerry's great-grandfather was Francis Blackwell Forbes, who got rich selling opium in China.

In 1852 Warren Delano and his growing family moved to their dream house, a brown-and-buff mansion on six acres overlooking the Hudson River. Delano named the home Algonac and furnished it with Chinese décor. In the parlor hung a portrait of Howqua. Now in his forties, Delano regaled guests and associates with colorful stories of trading tea and silk in China, but he rarely mentioned opium. This was in line with custom: American drug dealing was downplayed in polite East Coast society, the finger pointed mostly at Britain.

Delano lived luxuriously until stocks crashed and banks collapsed in the financial panic of 1857, and his investments soured one by one.

Delano was suddenly faced with a grim financial future. Forty-eight years old and slowly going broke, he thought long and hard about how to reconstitute his fortune. He still had sterling contacts with leading businessmen across the United States. He had been an investor in railroads, property, copper, and coal mines. He was healthy, and, despite the crash, the American economy still offered plenty of opportunity. But with a growing family (his seventh child was born in 1857) and an expensive manor lifestyle to support, he wanted to make a lot of money quickly. So Delano returned to the most profitable business in the world.

It wasn't an easy decision. Opium smuggling was a young man's game. Delano had been twenty-four years old when he'd first sailed to China; now he was twice that. The trip to Hong Kong was an arduous four-month-long voyage and he risked contracting malaria or life-threatening dysentery in hot and humid South China. But after fourteen years of playing by the rules in the U.S. economy, he was confronting a reduced standard of living. It was time, he concluded, to go back to the game with no rules.

It took almost two years for Russell and Company to repost Delano to Hong Kong. By then, at fifty years old, he had eight children, and his wife, Catherine, was pregnant with a ninth. Delano gave an empty stamp book to five-year-old Sara and promised the tearful girl that he would send her letters and stamps. In 1859, Delano sailed to the British colony of Hong Kong, where he became once again the senior official in the biggest American firm in New China and proceeded to rebuild his fortune.

The tables had most certainly turned since the days when he'd apprenticed to Samuel Russell. The Barbarian Management Bureau mandarins had naively assumed that the sea barbarians would be satisfied with Hong Kong and the five treaty ports granted in 1843. But now that the inch had been given, the mile was insisted upon. The British, French, and American foreign devils wanted China to rescind its prohibition and legalize opium, exempt internal trade by foreigners from duties, adopt English as the official language of all future treaties, and

allow official state-to-state relations. The foreign devils were demanding the right to poison three hundred million people with their opium while continuing to stay beyond the reach of the emperor's jurisdiction. Just as shocking to the Chinese, the barbarians demanded that foreign-devil ambassadors be allowed to reside in Beijing near the Son of Heaven.

When the Barbarian Management Bureau refused these demands, the British, French, and American navies retaliated with the Second Opium War, this time ravaging not only coastal cities and forts but also the country's interior; they invaded Beijing, chased the emperor out of town, and, in an orgy of fine-art and jewelry looting, destroyed the Versailles of China, the old Summer Palace.

Overwhelmed again, China bent. A new, even more unequal treaty gave the United States and other nations the right to station their diplomats in Beijing; in addition, it pried open ten more New China treaty ports to foreign trade and allowed foreign vessels—commercial and military—to navigate freely on the Yangtze River, thus giving the foreign devils access to the deepest heart of the Middle Kingdom. Crucially for the Americans, the agreement also provided religious liberty for Chinese Christians and ordered the Chinese government to stop using the word *barbarian* in reference to Westerners. Finally, the Barbarian Management Bureau was abolished and replaced by a foreign ministry forced into relations with barbarian countries.

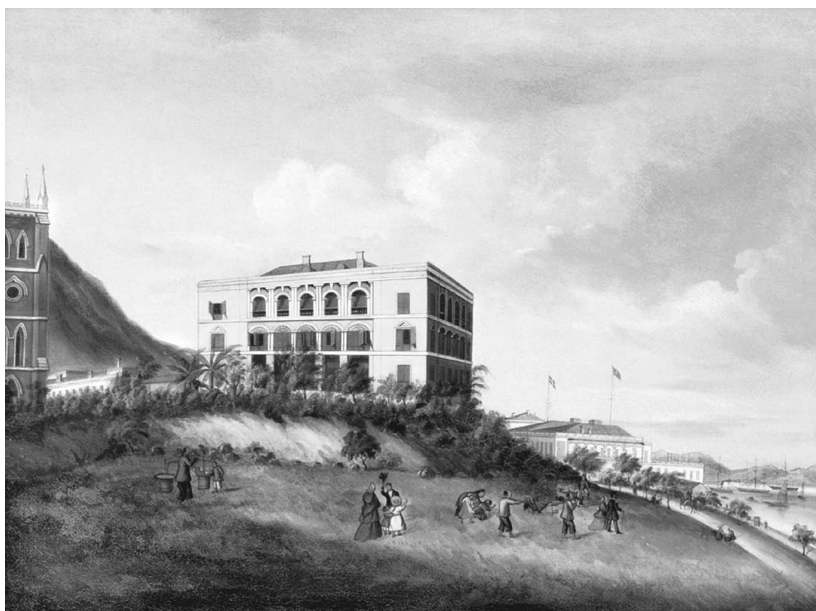
When Franklin Delano Roosevelt was a young boy, his mother's favorite stories from her own childhood revolved around an adventure in a faraway land. Sara Delano Roosevelt told her son how her mother, Catherine, had packed up Algonac and, on June 25, 1862, sailed out of New York Harbor on a fully crewed ship with nine children, two maids, an upright piano, crates of clothes and books, and a hold stuffed with caged pigs, ducks, geese, and chickens. Over four months of sometimes stormy nights and many becalmed days, Sara's mother passed the time by reading aloud to her children from Nathaniel Hawthorne novels and old issues of *Vanity Fair*. On September 21, 1892, the Delano family was in the Indian Ocean, and they celebrated Sara's

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eighth birthday with a dinner of roast goose, boiled ham, corn, peas, tomatoes, rice, and cake.

On the morning of October 31, 1862, the Delanos' ship sailed into the Hong Kong harbor. "Papa!" little Sara squealed as Delano came into view, standing at the tiller of a Russell and Company launch rowed by a dozen white-uniformed Chinese. Delano came aboard, embraced his family, and held baby Cassie—born after he left Algonac—for the first time. Little Sara hugged her father's leg.

A procession of sedan chairs took the Delano family up through Hong Kong's steeply inclined streets to their Rose Hill mansion. This large procession of American barbarians proudly asserting their place in New China naturally caught the attention of passing Chinese pedestrians, a few of whom shouted words that young Sara had of course never heard: *Fan kuei*. Both of Sara's parents knew what *fan kuei* meant, but there is no record that they explained it to their eight-year-old daughter. Catherine later wrote in her diary about the Chinese taunts: "I feel very oddly to be again a *Fanqui*."¹⁷



Rose Hill, Hong Kong. Franklin Delano Roosevelt's grandfather and mother lived on this Russell & Company estate. (CPA Media / Pictures From History)

The stories young Franklin heard from his mother of the two years she spent in Hong Kong were mostly about her experiences within the confines of the Rose Hill estate. Those two years were pleasant but monotonous. Sara mingled with the same small group of people and ventured out only for American-style pursuits, like a day at the race-track or to ride her horse (and then only if she was escorted by her father or an adult male Russell and Company employee). She never learned the Chinese language. Other than Delano's Chinese servants, little Sara had almost no contact with the locals. She could later tell Franklin stories about peacocks on the property and recall in detail Thanksgiving dinners, but Sara passed on no insights about the real China. How could she?

It's likely that Sara Delano's single foray into a Chinese person's home was on a family visit to a hong merchant's fabulous Canton mansion in February of 1863 when she was nine years old. This would be the equivalent of a foreigner in America dining at the Astor mansion and nowhere else. Sara wrote that before this adventure, "Papa told us children to pretend that we liked Chinese food though it was very strange to us." After five months in their New China sanctuary, the Delano children had apparently not eaten any Chinese food and certainly did not know how to use chopsticks.

Sara and the family marveled at the merchant's opulent mansion as they strolled through rooms furnished with polished ebony and gleaming marble, priceless carved ivory panels and stained-glass windows. When they sat down to dinner, Sara noted in relief that "as it was a very rich and luxurious house, there were knives, forks, and spoons for the strangers."¹⁸

Sometime later, one of Sara's older sisters—Annie—fell in love with and became engaged to a junior Russell and Company partner, William Howell Forbes. In 1864 Warren Delano had Forbes accompany Sara, Annie, Warren III, and Philippe from Hong Kong to the United States via Saigon, Singapore, Aden, Suez, Cairo, Alexandria, Marseilles, Paris, London, and then across the Atlantic to New York. Delano, Catherine, and the rest of the family returned to the United States in 1866.

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* * *

Delano had done it. He was back at Algonac surrounded by opulent Chinese furnishings, once again a rich man who told colorful stories about the primitive Middle Kingdom and how America could help make a shiny New China while, with clever sleight of hand, avoiding speaking the name of the commodity that had made it all possible.