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**THE 1925 OPIUM PURCHASING
CAMPAIGN IN LAOS**

The Anatomy of a Colonial Scandal



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Introduction

When, at the end of the nineteenth century, the French extended their influence into the mountainous regions of northern Laos, the areas where opium poppies had been grown for many decades then fell within the French colonial territory of Indochina. Hmong and Yao opium poppy cultivation was officially tolerated on condition that, after satisfying domestic consumption, any surplus production would be delivered to the French authorities.

In fact, the French decrees were not enforced: instead, most of the surplus supplied local and regional smuggling activities, while at the same time the French showed little interest in systematically acquiring Laotian produce. Notwithstanding demand for the raw material by the opium factory in Saigon, the *Douanes & Régies* (department of Customs and State Monopolies) hesitated for a long time before considering any purchase of opium from Laos.¹ The director of this administration summed up the reasons for this in 1903:

By buying 12 *piculs* of opium [720 kg], we remove that quantity from the smuggling scene, but we also encourage production in those regions too remote for us to supervise. One possible consequence is that, in the following year, we might be forced to purchase the entire crop produced by the Meos [Hmong] at the high price which they have come to expect from us, in order to prevent them engaging in contraband activities that we will have helped them to develop.²

The absence of any real control by the colonial power over the areas of cultivation, coupled with the high price that the producers demanded for their crop, incited the *Douanes & Régies* to favor the purchase of raw opium from foreign sources. This opium was both easier of access and available on a regular basis at a fixed price. However, the French colonial administration was forced to modify this policy due to the outbreak of serious disturbances among the Huaphan, the Muong Hou, and the population of the Black River basin from 1914 to 1916.³ Chinese smugglers were blamed for these events, to which the colonial authorities reacted by launching a systematic campaign for the purchase of Laotian opium in order to suppress contraband traffic. In December 1915, the Governor General, Ernest Roume, instructed the *Douanes & Régies* to take all necessary measures to ensure that the indigenous production of opium was acquired “at a sufficiently generous price to discourage farmers from withholding any of the crop to sell to Chinese buyers”. Roume added: “I attach the greatest importance to resolving this problem as quickly as possible, since, under the present circumstances political reasons must take precedence over all other considerations”.⁴

The purchasing campaigns decided in December 1915 could not be put into practice

until the following year, but from 1917 to 1924 they apparently resulted in the acquisition of 81 tonnes of raw opium.⁵ This total conceals wide variations ranging from 274 kg (in 1922) to 32 tonnes (in 1923). The scandal that came to light at the end of the 1925 campaign partly explains the reasons for these fluctuations, and why, in the best years, the authorities bought quantities of opium far in excess of the production capacity of Laos.⁶ It also brought to light the corrupt purchasing practices and dysfunctional state of the colonial civil service. Furthermore, these political repercussions were the source of marked tensions between the Indochinese and metropolitan authorities.

In this essay, a mainly narrative approach has been adopted in describing the events that took place. Starting with the fraud, of which the *Douanes & Régies* department was victim, colonial sources reveal details of the developing scandal, culminating in the political epilogue of the whole affair before the Senate of the French Republic. This approach enables us to follow the rhythm of revelations that progressively disclosed the poorly organized opium purchasing campaigns, not to mention the bureaucratic strategies employed to hide or cover up the scandal.

[The discovery of a “veritable fraud”](#)

The fiasco surrounding the 1925 opium purchasing campaign was predictable, if not in its magnitude, at least in its form. In the previous year, the chief of Luang Prabang province had reported the arrival in Laos of huge quantities of raw opium, and the *Douanes & Régies* had also discovered a consignment of adulterated drug.⁷ However, apart from canceling the permit to purchase opium of one of the authorized merchants (an indigenous trader), no action was taken to prevent a repetition of similar dealings in 1925. On the contrary, negligence and ineptitude further aggravated the situation.

On September 24, the opium factory in Saigon reported a first evaluation of the batches officially designated as sub-standard after analysis, involving 500 chests, totaling about 22 tonnes of raw opium valued at 473,765 piastres.⁸ At that time, neither the full extent of the fraud, nor the probable financial loss had been fully assessed, since not all the chests had been systematically analyzed. Nevertheless, the director of the *Douanes & Régies*, Marie-Alphonse Kircher, was sufficiently aware of the inevitable scandal that he informed the Governor General of the problems at the beginning of October. In anticipation of the full results of the analyses, he estimated that the entire 22 tonnes of raw opium were “absolutely unusable” due to the presence of substances, such as clay, sand, gravel, waste vegetable matter and even excrement, that had been fraudulently added “in considerable quantities”.

It was consequently at this stage that, for the first time, Kircher used the appropriate term to describe the opium purchasing campaign: a “veritable fraud”.⁹ Administrative and judicial inquiries were immediately set up in order to determine the circumstances of the unprecedented fiasco and to ascertain who was responsible.

The inspector of the *Douanes & Régies* for Laos was entrusted to carry out the internal inquiry that began in December 1925.¹⁰ It focused on the delivery conditions and formalities at the office of his department in Luang Prabang, and on the respective responsibilities of the local inspector and of the main supplier of the opium.

The internal inquiry

Evidence given by the local inspector, François Giton, describes the very superficial controls carried out on delivery of the drug. Deliveries took place in the presence of the supplier, the inspector, the indigenous secretary, and the indigenous employees of the *bureau des Douanes & Régies*. The only test designed to ascertain the quality of the opium consisted of a practical smoking of selected batches by one of the employees “usually a smoker”. As he commented favorably on each of the several pipes he smoked, Giton concluded that the whole consignment was of good quality. The local inspector tactlessly remarked that the “taster” had even “made himself ill by smoking more than was habitual”,¹¹ without apparently realizing that this observation could just as easily be taken as a contradiction of his judgement concerning the good quality of the opium, rather than a comment on the assiduity of the smoker. Unaware of the ambiguity of his remark, Giton was then confronted with the analyses of the opium factory, whereupon he expressed surprise at the content of the report since the drug had been tasted, and he himself “had put his finger in the boiled opium and tasted it out of curiosity” without noticing anything in particular.¹² In other words, the local inspector showed as much naivety in his replies to questions as he did in applying quality control procedures to the deliveries of raw opium.

The second Frenchman questioned by the investigator was the local representative of the *Maison Saint Germain*, official buyer and main supplier to the Opium Regie. From the beginning of the purchasing campaigns, the colonial administration had bought very little opium at source, and instead mostly delegated the task of acquiring the drug at its source of production to interested parties in the private sphere.¹³ In the provinces of Luang Prabang and Upper Mekong, the *Maison Saint Germain* dominated the market as the main purchaser of raw opium, and was the supplier that delivered 20 of the 22 tonnes to Luang Prabang in 1925. The nephew of the director, locally responsible for the company, proved to be as incompetent and lacking in experience as the local inspector. One passage of the

report of the inquiry shows this particularly well.

When questioned about his ability to distinguish good quality opium from an adulterated sample, an indigenous employee of the company assured that he was incapable of perceiving the difference. Confronted with this statement his employer exclaimed "It's impossible". It was not only possible but perfectly normal. In fact the indigenous employee had replied to a very precise question, namely: was he capable of identifying "opium mixed with resin or with fruit juice?".¹⁴ His negative reply indicated a thorough appreciation of the difficulty in identifying these specific types of substance used to adulterate opium, without having recourse to a chemical analysis of the sample, or subjecting it to a practical test by actually smoking it. The nephew of the director of the *Maison Saint Germain* was clearly unaware of these procedures, as was the investigator who would have been better advised to spend time questioning the indigenous employee about his ability to identify the presence of gravel, sand, or excrement in raw opium. Be that as it may, the reactions of the French supplier clearly demonstrated his abysmal ignorance of the technical aspects of the enterprise that he was supposedly administering. The same could be said of the local inspector, who relied entirely on the opinions of his indigenous employees to cover up his own lack of knowledge concerning the qualities and characteristics of the raw opium. Both men were responsible for conducting transactions relating to a substance about which they knew next to nothing.

Quite logically the report of the inquiry concluded that the local inspector at Luang Prabang was incompetent and incapable of carrying out his duties in a responsible manner. But, paradoxically, the author of the report stated that it was precisely for this reason that he did not recommend taking disciplinary action: nobody had questioned his honesty, only his naivety and incompetence. Instead, full responsibility for the fraud was attributed to the *Maison Saint Germain*. However, for inexplicable reasons, the local head of the company was not incriminated. Instead, he was also classified as being incompetent and consequently judged to have been the victim of his indigenous employees:

The buyers working for the company were competent; they alone were responsible for the good and bad supplies, and if almost all the deliveries were of bad quality, it was they who had knowingly delivered an inferior mixture in anticipation of making an easy sale. Driven by the temptation of immediate profit, did they give any thought to the eventual dissatisfaction of the administrative authorities? Or to the consequences of their actions? Was it their duty to reflect on these things?¹⁵

These questions, which concluded the report, tacitly implied that there were other, more essential questions that the author had avoided asking, obviously because they would have involved the responsibility of his own department. To absolve Giton because of

incompetence was one thing, to absolve the *Douanes & Régies* was quite another.

The judicial inquiry

The judicial inquiry was entrusted to Yves Martin, an investigating judge from the province of Luang Prabang, who, in July 1926, submitted his report to the public prosecutor in Hanoi. More detailed than the internal inquiry, judge Martin's investigations revealed new elements concerning both the strategies employed during the purchasing campaigns and the conditions under which the drug was finally delivered to the Opium Regie.

The first task facing the inquiry was to establish at exactly which point in the supply chain foreign substances were added to the raw opium. Statements taken from Regie officers suggested that the consignments of opium might have been tampered with after they had been bought by the Opium Regie. This hypothesis was categorically excluded by the judge. Once accepted by the local inspector, the consignments of opium were securely stored in lead-sealed chests fitted with clamps which precluded any interference, either during stockage in Luang Prabang, or during their transport under guard to Saigon.

Questions still remained concerning verification procedures carried out in Luang Prabang which were found to be even more superficial than those described by the internal inquiry. The judge discovered that they were limited to "testing samples from a minimal number of chests"; samples were rarely boiled, "but more often than not were merely assessed visually".¹⁶ The incompetence and criminal negligence of the local inspector was therefore confirmed, as well as the amateurism of the official buyer. Since the local head of the *Maison Saint Germain* never went in person to the opium producing regions, buying transactions were delegated to four indigenous "*sous-acheteurs*" (subcontractors officially accredited by the colonial authorities), who then sub-contracted the task of buying to auxiliaries who supposedly negotiated purchases from growers at the actual source of production. Thus the French supplier knew nothing about the consignments delivered to the Opium Regie, and took no precautions whatsoever to personally verify the quality of the raw product contained in the chests:

Before presenting the goods, it never occurred to him to verify, by even the most elementary procedure, the quality of the raw opium that was delivered. Only once did he take a sample to be tested before a consignment was transported to the *Douanes & Régies*.¹⁷

Apart from questions pertaining to adulteration of the drug, the investigation concentrated on unravelling the financial aspects of the buying procedures. After the

opium had been accepted by the local inspector, payment was effected by the operator of the current account of the province, either to the representative of the *Maison Saint Germain* or his secretary. Accounts were then immediately settled with the indigenous *sous-acheteurs* waiting outside the current account office. The Opium Regie offered to pay 20 piastres per kilo of raw opium, of which the *Maison Saint Germain* retroceded 19 to its four *sous-acheteurs*. According to the judge, the profit per kilo of raw opium acquired amounted to 1.50 piastres for the *Maison Saint Germain* of which 0.50 was paid to the four accredited *sous-acheteurs*, while the remaining 18.50 were supposed to cover the cost of purchases made directly from the Hmong and Yao producers.

In reality, things happened quite differently. First and foremost, the raw opium was not locally produced, but was bought from Burmese smugglers. Unfortunately, the judge did not investigate further into this aspect of the affair. He restricted his observations to noting that both the local inspector and the official buyer were pertinently aware that the foreign drug was sold in Laos under cover of official purchases, but did not investigate more deeply this crucial aspect of the purchasing campaigns that accounted for the enormous quantities of raw opium delivered to Luang Prabang. The judicial investigation was therefore limited to the town of Luang Prabang and basically drew the same conclusions as the internal inquiry: the local inspector and the official buyer were criticized for their “negligence”, but neither the one nor the other were found guilty of knowingly delivering an adulterated substance. The report tacitly implied that the two Frenchmen were far too inept to have organized a fraud on such a scale.

Thus the official buyer was exonerated from criminal responsibility, and the *Maison Saint Germain* was only imputed with civil responsibility. The only guilty perpetrators of the “audacious fraud” were, successively, the indigenous *sous-acheteurs* and the producers of the raw opium, but for political reasons the judge decided not to proceed with criminal incriminations: “that kind of inquiry would only serve to create panic, or even revolt, among a population that does not yet hold us in great esteem”.¹⁸

This line of reasoning was not without foundation in regions where the opium poppy was cultivated. Nevertheless, the judge omitted to state that among the Hmong and Yao producers in Laos, their fears were mainly based on the fact that they did not deliver all of their surplus crop to the authorities. The fact that the inquiry had clearly revealed the contraband origin of the bulk of raw opium, implied that the reasons for incriminating the Laotian producers was specious to say the least. The political reasons given for interrupting the criminal inquiry at that stage in fact provided the pretext for avoiding a more thorough investigation of the thorny question of contraband; to probe any deeper in that domaine risked creating a new scandal, in addition to the fraud that had been

perpetrated on the Opium Regie.

There was clearly a desire to play down the affair, which satisfied the department of *Douanes & Régies*. In October 1926, the director sent a report to the Governor General in which he euphemistically summed up the conclusions of the inquiries:

The investigating officer for the internal inquiry found that the local inspector, who was responsible for reception of consignment at Luang Prabang was inexperienced and had shown slight negligence.¹⁹

Moreover, the director of the *Douanes & Régies* presented his own version of the conclusions of the judicial inquiry by implying that the judicial authorities had counseled against bringing a civil action aimed at obtaining a cancellation of the sale of raw opium and reimbursing the sums paid to the supplier.²⁰ He was certainly right in thinking that the supplier had strong arguments against canceling the sale, especially since the Opium Regie had accepted the produce without demur, after duly checking it, however perfunctory the controls had been. However, it was hardly consistent to state on the other hand that there had been "slight negligence" by employees in his service in controlling the quality of the raw opium. In short, the aim of the director of the *Douanes & Régies* was to minimize serious errors committed during the purchasing campaign and bring to a rapid conclusion an affair that was extremely compromising for his office.

This strategy collapsed in January 1927, when a civil service official, designated to inspect the running of the department of *Douanes & Régies*, submitted a damning report concerning the acquisition of opium in Laos.

The Tixier Report

Auguste-Charles-Denis Tixier, the *Inspecteur general des Colonies* appointed in 1926 to carry out an audit of the *Douanes & Régies* in Indochina, submitted a report which, for the first time, incriminated the director of the department with responsibility for the 1925 fiasco.²¹

First of all, Tixier challenged the decision to entrust the task of buying goods on behalf of the civil service to middlemen. In his view, the system of appointing indigenous accredited buyers was the main cause of the excessive purchases carried out in Laos, and of the influx into the country of quantities of raw opium of foreign origin, in addition to the "unbelievable adulteration" which characterized the 1925 campaign.²²

Secondly, Tixier conceded that at the outset of the buying campaign the director of *Douanes & Régies* had given "instructions" - the author's inverted commas - advising

caution and moderation in negotiating purchases, but this remark was intended to emphasize the fact that the advice went unheeded. At the start of the campaign, the director had fixed a price of 15 piastres per kilo at Luang Prabang, but this had been increased to 20 piastres after the Superior Resident in Laos had commented that the 15 piastres offered was far below the real value of the locally produced opium. Tixier observed that raising the price by 5 piastres was futile, since it was still lower than the market value of Laotian opium, while at the same time it became more attractive to purchase opium produced in the Shan States of Burma.

Thirdly the director of the *Douanes & Régies* had not acted on the advice of the inspector in Laos who, realizing that the local inspector in Luang Prabang was a complete novice in conducting buying transactions, had requested that an experienced employee from the opium factory be seconded to Luang Prabang as his assistant. As a result, the inexperienced civil servant had a free hand in managing the purchases, as well as the considerable sums of money involved, without first taking the most elementary precautions in checking the quality of the consignments of raw opium.

Fourthly, Tixier emphasized the personal responsibility of the director of the *Douanes & Régies*, Kircher, on leave until April 1925. It was in fact during his absence that the decision to increase the purchase price had been taken by the acting head of the department. Yet, on his return Kircher omitted to take any measures whatsoever in anticipation of the looming problems,²³ even though, as the report showed, he had the means at his disposal: the request for 400,000 piastres in order to pay for the purchases, which promised to be considerable, had been made in April, whereas the bulk of the buying operations took place in May to mid June.

The spacing of the deliveries provided the final element that contributed to understanding the mechanism of the fraud. Although the buying campaign was spread over one and a half months, more than half the consignments, supplied by the officially accredited middlemen, were delivered during the last five days, during which it was impossible to carry out adequate quality controls.

Spacing of deliveries to the Opium Regie at Luang Prabang during the campaign of 1925, in kg²⁴

	<i>Maison Saint Germain</i>	Indigenous	Total
1 st 10 days of May	1,857	0	1,857
2 nd 10 days of May	3,474	308	3,783
3 rd 10 days of May	2,387	0	2,387
1 st 10 days of June	1,313	1,807	3,120
11-15 June	11,558	72	11,630

According to Tixier, Kircher was fully responsible for the financial losses incurred in 1925. These amounted to 471,000 piastres. More generally, it was the purchasing policy of the opium monopoly that was called into question: supplies bought during previous purchasing campaigns in Laos were deemed to be “useless”, and stocks of unsmokable opium had been acquired by the Opium Regie in Yunnan totaling more than 2,000,000 piastres. In short, since Kircher had committed “serious errors” by completely neglecting the management and control of certain sectors of his department, and authorizing “unjustifiable” purchases under “implausible” conditions, disciplinary action should be taken against him.²⁵

In 1928, Kircher attempted to justify his actions,²⁶ which, far from convincing the inspector of colonies, clearly succeeded in irritating Tixier to such a degree that he wrote an additional note to his report in which he denounced Kircher's conduct during the purchasing campaigns in even stronger terms:

The organization [of the purchases] was in flagrant contradiction of the contract; it inevitably incited the middlemen, officially accredited by the *Douanes & Régies*, to indulge in contraband, either independently, or in connivance with their designated procurers. Everyone, including the director of the *Douanes & Régies*, knew that almost all the raw opium that was acquired came from illegal sources, and that virtually the entire, indigenous, high quality Laotian opium, was purchased by the Chinese and sent to other destinations. M. Kircher could have immediately stopped the huge purchases of opium, which, for the collecting centre at Luang Prabang alone amounted to eleven times more than the annual consumption of all Indochina, by doing what he had done once before, namely reducing the purchase price that the Superior Resident had increased in February. After all, he was fully aware, not just following his return (in April 1925, or even in October of the same year), but for many years previously, that 400,000 piastres served to finance a huge smuggling network organized by the Burmese and various middlemen; it was certainly not in October 1925 that he learnt about this.²⁷

In spite of this, the Governor General, Pierre Pasquier, reasoned that the interim director of the department bore greater responsibility for the errors committed than the officially appointed officer, with the result that no disciplinary action was taken against Kircher, nor against any other employees of the *Douanes & Régies*.²⁸ However, following the 1925 fiasco, the colonial authorities did implement three measures.

The first involved dispensing with the officially accredited middlemen, and in 1926, the purchase price of Laotian opium was reduced to 15 piastres per kilo. According to the Opium Regie this price was “marginally less than the market price”. In actual fact, it was considerably lower than the real value of the drug which, in Tran Ninh, traded at 10 to 12 piastres for 350 grams early in 1926.²⁹ Not surprisingly, the growers judged the price offered to be insufficient and declined to deliver their surplus crop to the Opium Regie.³⁰

Therefore, only 176 kg were received, an amount that was infinitely less than the 3,500 kg allowed by the colonial authorities.

The second measure concerned a civil action instituted in January 1927 against the *Compagnie coloniale du Laos* -in other words the former *Maison Saint Germain*. A writ was served on the company to cancel the 1925 sale of opium and reimburse the price paid by the administration for deliveries of defective consignments. Tixier had few illusions concerning the outcome of this case, since the investigating magistrate had dismissed the case for lack of evidence of fraud.

The third measure consisted of a decree dated 27 July 1930, by which the *Douanes et Régies* became part of the *Direction des Finances de l'Indochine*. Although undertaken at a later date, this administrative re-organization was nonetheless directly linked to the events of 1925, and reflected a need to achieve greater control over the financial aspects of the activities of the Opium Regie. As Philippe Le Failler remarked, this decree effectively tolled the knell of the comparative independence of the *Douanes & Régies*.³¹

Political repercussions

In the early thirties, the fiasco of 1925 seemed to be passing into oblivion, all the more so when, in 1933, the General Government decided not to proceed with the civil action against the *Compagnie coloniale du Laos*. However, in the same year political events brought the whole affair once more to the forefront, where it finally assumed its true dimension as a colonial scandal.

At the beginning of 1933, the member of the Assembly of Cochinchina, Ernest Outrey, asked the Minister for the Colonies for an explanation concerning the destruction of unusable stocks of opium during the preceding year. More specifically clarification and confirmation was requested relating, first, to stocks of opium bought in Laos for the sum of 1,554,903 piastres,³² secondly to the presence of cow dung in adulterated batches, and thirdly to the existence of disciplinary measures taken against those responsible for the purchases. Preliminary explanations provided in July 1933 by the Governor General to his minister, in preparation for a draft reply to Outrey, proved unlikely to reassure the French government as to the financial implications of the purchasing campaign: Pasquier had to acknowledge the destruction of 72,432 kg of raw opium, as well as 3,665 kg of *chandou* valued "theoretically" at 2 million piastres.³³ The opium came mainly from Yunnan and was bought by the Opium Regie in 1924 during a purchasing campaign that was even more disastrous than the one in Laos the following year.³⁴

Without going into a detailed examination of the correspondence exchanged between

the Governor General and the French capital, suffice it to say that the unsatisfactory explanations received by the Minister for the Colonies led to mounting tension during 1934 and 1935. The situation reached a crisis in February 1935 when the Senate's *Commission des comptes définitifs* (Definitive Accounts Committee) informed the Minister for the Colonies of its intention to propose the rejection of the accounts submitted for the 1927 budget for Indochina.

Faced with this ultimatum, a wave of panic swept through the Ministry of the Colonies, while the General Government of Indochina either failed to comprehend the gravity of the situation or played for time for want of a solution. Under these circumstances the irritation of Louis Rollin increased with each succeeding exchange of correspondence with the Governor General René Robin. On the March 9 1935, the Minister for the Colonies demanded that details be cabled to him concerning disciplinary measures taken against those responsible for purchases in 1925, and instructed the General Government to re-activate legal proceedings against the *ex-Maison Saint Germain*. The tone hardened further in a telegram dated 27 April. The Minister expressed surprise that he had had to wait over one month before receiving a completely unsatisfactory reply. The Minister then reiterated the conditions that needed to be fulfilled in order to unblock the situation: *primo*, to specify what disciplinary action had so far been taken against those civil servants responsible for the fiasco, and what sanctions still needed to be imposed; *secundo*, to immediately re-activate legal proceeding against the supplier.³⁵

The case was reopened against the *ex-Maison Saint Germain*, but without conviction. The acting lawyer for the administration was more or less certain that they would lose the case, since the only new piece of evidence was hardly likely to reinforce the case for the prosecution as it concerned the destruction of chests of adulterated opium.³⁶ So far as attributing responsibility was concerned, this was the cause of rising tensions between the French government and the General Government of Indochina. The latter was forced to admit that no disciplinary action whatsoever had been taken, but produced a list of those responsible for the 1925 fiasco which obviously aimed at minimizing errors committed by the *Douanes & Régies* authorities. In descending order of importance those named were: 1. The Superior Resident in Laos who encouraged purchases without ensuring adequate measures of control over the indigenous authorities; 2. The indigenous authorities in Laos, responsible for verifying the local provenance of the opium; 3. The director of the *Douanes & Régies*, Kircher; 4. Giton, the local inspector at Luang Prabang.³⁷

Attributing primary levels of responsibility had, until then, never been seriously envisaged either by the Ministry for the Colonies or by the senatorial committee, whose inquiries had been mainly based on the report of inspector Tixier dealing exclusively with

the department of the *Douanes & Régies*. The strategy adopted by the Indochinese authorities was absolutely clear: the Superior Resident in Laos in 1925, Jules Bosc, and the indigenous authorities were to be expiatory victims which the General Government had decided to surrender to the fury of the metropolitan authorities. As noted by Philippe Le Failler this maneuver also had the advantage of concentrating attention on purchases carried out in Laos while allotting secondary importance to much greater losses incurred through buying opium in Yunnan.³⁸

Bosc had long experience in dealing with the Indochinese civil service. Hardly the man to allow himself be accused of wrongdoing, he had no trouble in convincing the Ministry that he was not the main person responsible for the 1925 fiasco.³⁹ The former Superior Resident did admit to requesting an increase in the buying price so that it corresponded to the real value of the local opium, but such a request could not be viewed as a constraint imposed on the director of the *Douanes & Régies* who was the sole authority competent to fix the price paid to both producers and accredited buyers. In actual fact, the price that was finally fixed, 20 piastres per kilo, did not comply with Bosc's request (30 piastres), since it was lower than the value of the local opium.

In addition, Bosc made an interesting remark that highlighted the dysfunctional organization of the department of the *Douanes & Régies*:

I clearly remember that on several occasions, during the opium purchasing campaigns, I drew the attention of Mr Kircher to the advisability of temporarily employing a qualified agent from the [opium] distillery in Saigon, who, using a simple tool, would have been able to inspect and check the consignments of opium when they were delivered to the Opium Regie. But he never acted on my suggestion.⁴⁰

This statement was decisive. On one hand, it clearly showed Kircher's incompetence, and on the other, it underlined the inability of the *Douanes & Régies* authorities to enforce strict quality-control measures of the drug they were purchasing. What is more, Bosc made another comment that later served to weaken the accusations made against him: it appeared that since the fraud was discovered in September 1925 and until the recent accusations leveled against him by the Governor General, neither the law, nor the department of the *Douanes & Régies*, nor the General Government had approached him for information or explanations concerning the incriminating events.

The political epilogue to the 1925 scandal was played out in France ten years later during the end-of-year meeting of the Senate. One after the other the rapporteur for the *Commission des comptes définitifs*, Maurice Hervey, and the Minister for the Colonies, Louis Rollin, succeeded each other in criticizing the serious acts of negligence committed during the opium purchasing campaigns. While accusations against Bosc were dropped, criticism

concentrated on the degree of responsibility attributable to Kircher. Hervey maintained that purchase in Laos were made “under the most unimaginable conditions”, and that the provisions of opium constituted in Treasury accounts had been “exaggerated beyond all belief” by the director of the *Douanes & Régies*. He was therefore “held entirely responsible for the losses incurred” on that occasion.⁴¹ In other words, the Senate validated the conclusions of the Tixier report.

The Minister for the Colonies, Louis Rollin, also denounced the part played by Kircher, at the same time exaggerating the circumstances with a view to denouncing the Indochinese habits and customs. His references to the investigating magistrate at Luang Prabang were heavy with insinuations that called into question the probity of his inquiry: for example, “It is not for me to judge the role played by certain magistrates, I can have my own opinion, but I am not allowed to express it here”. Or, “It is really frustrating to observe a supplier deliver defective goods and then, for reasons unknown to me, the legal case is dismissed”. Rollin then went beyond the scope of the inquiry concerning opium purchasing campaigns to deliver a full scale attack against corrupt practices in Indochina:

This affair is all the more disquieting in that it reveals a demoralized state, a lack of moral fibre in our Indochinese colony [...]. This demoralized state has developed, or at least been considerably aggravated, by an easy period of prosperity, or rather pseudo-prosperity [...]. Out there, even more than here, at that time, money governed everything. Everything was easy going, lax, with dubious friendships, indulgence bordering on connivance.⁴²

Rollin was forced to engage in a difficult rhetorical balancing act. He had to concur with the mood of indignation in the Senate with regard to poor governance in the colony. But he also needed to prove his willingness to take concrete steps to reform Indochinese practices. But, so far as the 1925 scandal was concerned, the Minister was hardly able to produce any convincing evidence for the senators. Since Bosc had been exonerated, then attention could concentrate on Kircher; but as no disciplinary action had been taken against him before he retired from service, then incriminating him at this stage could only result in moral reprobation. Even the decision of the disciplinary commission that met in 1935 to give a ruling on the role played by the local inspector at Luang Prabang provided no real satisfaction, since it pronounced unanimously against sanctions while at the same time recognizing that “grave negligence” had occurred. As for the pending civil procedure everyone agreed that it was doomed to failure.

Rollin's performance before the senate was in fact purely rhetorical because, before hearing his evidence, the senatorial committee had already decided to accept the budget for Indochina subject to one condition which senator Hervey recalled during the meeting on 5 December 1935: the Minister was required to produce proof that the bulk of the

money spent in Laos had not fallen into the hands of “individuals designated as middlemen, a description which appeared to us to be a euphemism”.⁴³ What sort of proof could a Minister for the Colonies produce that would provide convincing evidence that public money had not filled smugglers’ pockets? In actual fact none, unless it was a note from the General Government that contained random calculations based on false reasoning:

The sum of 455,576 piastres is composed as follows: 414,160 paid to local producers, 41,416 paid to the *Maison Saint Germain* responsible for remunerating their indigenous middlemen. On this occasion the major part of the money was therefore paid to indigenous people. This information, and the fact that the purchases of opium contributed to pacifying an otherwise restless population [Hmong and Yao] in no way detracts from the gravity of the loss.⁴⁴

The calculation of the sum paid to the *Maison Saint Germain* was correct. But the amount paid to the indigenous producers failed to take into account the foreign origin of most of the opium ultimately delivered to the Opium Regie. Such a sophism was unlikely to convince anyone who had read the Tixier report. Moreover, all those who were familiar with the events knew perfectly well that the smugglers and their accomplices, who were officially accredited by the *Douanes & Régies*, were the real profiteers of the opium purchasing campaigns in Laos. However, the senators clearly had no intention of proceeding with this trial of strength with the Minister for the Colonies by demanding to see proof that he was obviously unable to produce.

The Senate therefore tacitly accepted the conclusions of the Tixier report, thereby adding a political dimension to the serious internal dysfunctions of the Indochinese civil service. The scandal did not create much interest among the general public. Although debates in the Senate and statements made by the Minister for the Colonies were reported in the French press, they were overshadowed by other matters, such as debates in the Chamber of Deputies about the *Ligues* and by the war in Ethiopia.⁴⁵

Discussion and conclusion

In spite of civil service inquiries, and numerous reports drawn up between 1925 and 1935, significant questions remain unanswered concerning two of the most important aspects of the purchasing campaign: the smuggling network and the adulteration of the drug delivered to the Opium Regie.

The Indochinese civil service clearly had no intention of providing information relating to the vast smuggling organization that operated under cover of the opium purchasing campaign in Laos. Both internal and judicial inquiries carefully avoided any reference to

such activities, whilst Tixier was hampered by the fact that he was restricted to conducting a simple audit of the *Douanes & Régies*. By using information from other sources, we can nevertheless briefly summarize this chapter of the campaign that was intentionally overlooked, in the following way.

Men working for the *tiao fa* (prince) of Xieng Toung in the Shan States,⁴⁶ or Yunnanese caravaneers established in Panglong gathered the Burmese opium which was then transported to the region of the Tang Ho rapids, on the Upper Mekong, where it was sold to accredited *sous-acheteurs*.⁴⁷ Although we do not know the selling price at the Laotian frontier, we can nevertheless make a reasonable guess that it was less than 15 piastres per kilo.⁴⁸ Consequently the actual profit realized by the *sous-acheteurs* was therefore not 0.50 piastre per kilo, as stated by judge Martin, but more than 4 piastres, and it increased further due to the drug being fraudulently weighted by the addition of a wide selection of other substances.

The fraud had not been difficult to organize since the participants in the transactions had previously established official trading relations during the First World War. In 1914 local reports show that the Opium Regie bought 9 tonnes of Burmese opium from indigenous merchants in Luang Prabang.⁴⁹

The Burmese opium was loaded into pirogues and transported to Luang Prabang where it was sold as Laotian opium in connivance with the indigenous authorities.⁵⁰ In the royal town and at the *bureau des Douanes & Régies*, it was common knowledge that the greater part of the opium unloaded at Luang Prabang was of foreign origin, since the quantities delivered greatly exceeded the local production capacity of Laos. Civil service hypocrisy raises the question as to the real motives of the *Douanes & Régies* authorities. Did they knowingly acquire opium from the Shan States under cover of campaigns for the purchase of the locally produced drug? It is a plausible hypothesis. On the one hand, because the Opium Regie had previously bought opium directly from the Shan States, so that it was, in effect, a practice that was allowed to continue, but in a new context, due to political imposed by the Governor General in 1915. On the other hand, the Opium Regie made no attempt to take necessary measures to suppress the smuggling trade that had developed from the beginning of the twenties.

However, it does seem that in this case the most plausible explanation must be bureaucratic routine coupled with inertia. The original, low price of 15 piastres per kilo fixed by Kircher, certainly did not indicate any clear intention to attract a huge influx of the drug from the Shan States. The later price increase to 20 piastres, decided by the interim head of the *Douanes & Régies*, proved to be a bad bureaucratic compromise that

failed to satisfy the Superior Resident of Laos (who had proposed 30 piastres), and was hardly compatible with the political imperatives imposed by the Governor General in 1915. The apathy shown by Kircher, when he once again took up his post as head of the *Douanes & Régies*, and was faced with a request for 400,000 piastres to pay for massive deliveries of smuggled opium, seems to denote more a disinterest in his work rather than a conscious intention to encourage the purchase of such quantities of the drug from the Shan States.

More specifically, the inertia of Kircher can be traced to a disinterest, bordering on culpable indifference, towards implementing the politically motivated procedures imposed on his department. This was exemplified clearly by the laxity of precautions taken to check the quality of the opium delivered at Luang Prabang. This, in fact, was the real scandal of the 1925 campaign, which would have been so easy to avoid had an experienced employee been delegated to Luang Prabang to ensure efficient quality control during the peak of the purchasing period.⁵¹ Instead, due to the combined incompetence of the French supplier and the local inspector of the *Douanes & Régies*, it was not until the consignments reached Saigon that the full gravity of the fraud became apparent.

An examination of the conditions that facilitated the organization of one fraud (the adulteration of the opium) within another (the operation of a smuggling ring) clearly defines those responsible at each stage. The obvious culprits were the indigenous *sous-acheteurs* of the *Maison Saint Germain*. Although it is quite possible that they may have overlooked evidence of the addition of fruit juice to the raw opium, it is inconceivable that they could have ignored the presence of considerable quantities of gravel or excrement. The most serious adulteration almost certainly took place during the final stages of the buying process,⁵² once the *sous-acheteurs* were fully convinced of both the incompetence of the French involved in the transactions, and of the inefficiency of the quality controls.⁵³

Although the *sous-acheteurs* may have been operationally responsible for the fraud, they were not necessarily the brain behind the whole organization. Bosc suggested this when he wrote that the “moral standards” of the *sous-acheteurs* had been guaranteed by the *senam* (king's council).⁵⁴ Whilst king Sisvongvong, known to be an “enemy of opium”,⁵⁵ was above all suspicion, this was not the case for the mandarins of the royal town, who had for long been suspected of undercover smuggling activities.⁵⁶ Nevertheless, none of them had ever been named in official reports that simply referred to them as the “Laotians of Luang Prabang” who were involved in opium smuggling outside the kingdom, especially in the Upper Mekong province.⁵⁷ Working in partnership with Laotian, Burmese and Chinese merchants, the mandarins and prominent citizens worked discretely in their own interest and against that of the colonial power, thus undermining all efforts of the French

authorities to eliminate the illegal opium trade.

The opium purchasing campaign of 1925 constituted one of those key elements that reveal latent realities difficult to perceive in other circumstances. To begin with, as Philippe Le Failler noted, it made visible the mechanisms at work in trading operations that are usually “kept secret” and are very difficult to elucidate from other sources.⁵⁸ It also revealed the limited territorial influence exercised at that time by the colonial power in mountainous regions; the French were effectively prevented from purchasing opium directly from producers at source, and rendered powerless in disbanding the massive smuggling operations that undermined the political objective of the purchasing campaigns. Finally, it demonstrated the working of a bureaucratic system that, in reality, not only failed to achieve the pretensions of efficiency that justified the establishment of the colonial power, but, in addition, did not correspond to a simplistic vision of total domination of a society encased in a straitjacket depriving it of any room to maneuver. It was the French who set up the market conditions to which they themselves fell victim, since their bureaucratic management strategies were outwitted by the tactics of different sectors of the indigenous society that knew only too well how to seize to their advantage the opportunities presented by the poor running of the colonial civil service. Bureaucratic routine and inertia, ineptitude at a local level, and incompetence in the management of the purchasing campaigns by the head of the *Douanes & Régies* conspired to create the conditions for fraud that were doubly scandalous for a colonial power; firstly, they engendered heavy financial losses, and, secondly, any French who were involved either closely or more distantly became the object of ridicule.

The colonial civil service learnt its lesson. At the same time as the 1925 scandal was being debated in the Senate, opium purchasing campaigns on a grand scale were once again being organized, but this time every precaution was taken to avoid a repetition of the fiasco endured 10 years' previously. Nevertheless, it was not until the Second World War that the *Douanes & Régies* achieved a fully efficient purchasing policy, namely, buying at source, equipping its collecting centers with the indispensable tools for carrying out preliminary tests on the raw opium, working closely with the Hmong chiefs, and in adapting both prices and practices (including cases where barter was appropriate) to trading conditions operating in mountainous regions.⁵⁹

- 1 For the purchasing policy of raw materials by the *Manufacture d'opium* in Saigon, see the excellent study by Philippe Le Failler, *Monopole et prohibition de l'opium en Indochine*, (Paris : L' Harmattan, 2001), 285 -289.
- 2 Grayssac to the General Governor, 23 March 1903. Archives Nationales d'Outre-Mer (ANOM), Aix-en Provence, GGI 1396.
- 3 See Geoffrey Gunn, "Rebellion in Northern Laos: The Revolts of the Lu and the Chinese Republicans", *Journal of the Siam Society*, vol. 77, 1989, 61-68.
- 4 Roume to Kircher, 19 December 1915. ANOM, Indo, NF, 380, 3110.
- 5 Figures are incomplete for the years 1917-1919.
- 6 The French did not know what was the real production capacity of the country. Estimations varied from a few tonnes to 15 tonnes; the most reliable evaluation, relating to the period between the two wars, put forward the figure of 14.5 tonnes as an annual average. Superior Resident in Laos to the Governor General, 22 August 1935. ANOM, GGI 42966.
- 7 General report, province of Luang Prabang, 2nd trimester 1924. ANOM, RSL, E 18.
- 8 Chests of opium received at the Manufacture, 24 September 1925. ANOM, Indo NF, 380, 3110.
- 9 Kircher to Varenne, 4 October 1925. ANOM, Indo NF, 380, 3110.
- 10 Since 1912, Laos no longer constituted a sub-department of Customs & Excise, but became an independent inspectorate under the responsibility of an inspector.
- 11 Report of an inquiry into the conditions under which deliveries of raw opium were carried out at Luang Prabang from December 1925 - January 1926. ANOM, Indo NF, 380, 3110.
- 12 *Ibidem*.
- 13 Marie-Alphonse Kircher was of the opinion that none of the officers in his service were sufficiently experienced to negotiate purchases directly from the producers. He therefore judged it preferable to employ middlemen who were accustomed to commercial dealings with the indigenous population. Dominique Niollet, *L'Épopée des douaniers en Indochine, 1874-1951*, (Paris : Kailash, 1998), 316.
- 14 Different techniques exist for falsifying raw opium. Jacques Lemoine describes one technique that is very difficult to detect by a merchant buying at the source of production: using one's thumb, a trace of cream of soya is added to the latex harvested from each capsule of the poppy so that the two substances blend together. Jacques Lemoine, *Un village hmong vert du Haut Laos*, (Paris : Editions du CNRS, 1972), 67-68.
- 15 Report of an inquiry into the conditions under which deliveries of raw opium were carried out at Luang Prabang from December 1925-January 1926. ANOM, Indo NF, 380, 3110.
- 16 Report by the investigating magistrate of Luang Prabang province to the public prosecutor in Hanoi, 1 July 1926. ANOM, GGI 45236.
- 17 *Ibidem*.
- 18 *Ibidem*.
- 19 Borel to Pasquier, 18 October 1926. ANOM, GGI 45236.
- 20 *Ibidem*.
- 21 *L'Inspection des Colonies* organised inspection missions to check the smooth running of the French overseas civil service.
- 22 Inspection report relating to opium supplies, 8 August 1927. ANOM. Indo NF, 380, 3110.
- 23 Kircher returned to his duties on 2 April 1925.
- 24 Inspection report relating to opium supplies, 8 August 1927. ANOM. Indo NF, 380, 3110.
- 25 *Ibidem*.
- 26 Kircher maintained that in reality the report demonstrated his complete competence in managing the purchasing campaigns: he had always been aware of the dangers inherent in implementing politically motivated policies; he had always tried to keep buying prices low, whereas his interim replacement was responsible for raising the price. Note by Kircher, 25 March 1928. ANOM, FM, EE 2507.
- 27 Note from the inspector general, s.d. ANOM, Indo NF, 4072
- 28 Confidential note from Pasquier to the Minister for the Colonies, 24 May 1929. ANOM, Indo NF, 380, 3110. The Governor General was nevertheless aware that Kircher was becoming a burden since he advised that it was "inopportune" to renew the mandate of this high official in Indochina. Kircher was transferred to the French capital in January 1931 and went into retirement on 1st August of the same year.
- 29 Policy report, Tran Ninh province. 1st trimester 1926. ANOM, RSL, E 19.
- 30 Economic report, 5th Military Territory, 1st trimester 1926. ANOM, RSL L 7.
- 31 Philippe Le Failler, *Monopole et prohibition de l'opium en Indochine*, (Paris: L' Harmattan, 2001) 290.
- 32 Outrey failed to distinguish between purchases made in Laos and in Yunnan.
- 33 Pasquier to Rollin, 8 July 1933. ANOM, Indo NF, 380, 3110.
- 34 Concerning purchases of opium in Yunnan, see Le Failler.
- 35 Telegram from Rollin to Robin, 9 March and 27 April 1935. ANOM, Indo NF, 380 3111.
- 36 Pascalis to the director of the *Douanes et Régies*, 30 April 1935. ANOM, Indo NF, 380, 3111. In July 1936, the tribunal at Luang Prabang non-suited the civil service.
- 37 Telegram from Robin to Rollin, 4 May 1935. ANOM, Indo NF, 380, 3111.
- 38 Le Failler, *Monopole et prohibition*, 287.
- 39 Concerning the career of Jules Bosc, see Patrice Morlat, *Les Affaires politiques de l'Indochine (1895-1923)*, (Paris: L'Harmattan, 1995).
- 40 Note [from Bosc] to the minister, s.d. ANOM, Agence FOM, 240, 312.

41 *Journal officiel de la République française*, 71, 6 December 1935.

42 *Ibidem*.

43 *Ibidem*.

44 Note concerning purchases of opium in Laos from 1923 to 1925, 25 February 1935. ANOM, Indo NF, 3111.

45 See *Le Temps, Le Journal des Débats*, 7 December 1935.

46 In the early 1930s, the Superior Resident in Laos considered that the tiao fa of Xieng Toung formed a "monopole de l'opium". Bosc to Pasquier, 6 August 1930. ANOM, GGI 62780. As for the Chinese caravaneers of Panglong, they were regarded as "aristocrats" of the regional drug trade according to Andrew Forbes. See A. Forbes and D. Henley, *The Haw: Traders of the Golden Triangle*, (Chiang Mai: Asia Film House, 1997), 100-132.

47 In 1914, the chief of the Upper Mekong Province confirmed that opium from the Shan States was loaded into boats in the Tang Ho region.

48 The Superior Resident in Laos suggested a current selling price ranging from 12 to 15 piastres per kilo for "mediocre quality" opium in the early thirties.

49 General Report, Luang Prabang Province, 2nd trimester 1914. ANOM, RSL, E 12.

50 The *sous-acheteurs* were not obliged to provide documents proving the sale. On the other hand, the *tasseng* (district chiefs) were obliged to stamp official documents proving the indigenous origin of the opium. In 1924, the chief of Luang Prabang province was under no illusions as to the efficacy of this measure: "There is no doubt that, despite instructions given to the *tasseng*, opium of foreign origin constituted a large part of the purchases". General report, province of Luang Prabang, 2nd trimester 1924. ANOM, RSL E 18.

51 This provides further evidence that the Opium Regie did not follow a coherent policy relating to the acquisition of Burmese opium.

52 Those collaborating with the smugglers had no reason to buy heavily adulterated opium from them.

53 The author of the summary note written in 1935 clearly had no doubts concerning the complicity of the indigenous employees of the Opium Regie. Note on the question of opium purchases made in Laos from 1923 to 1925. ANOM, Indo NF, 3111.

54 Note to the Minister, s.d. ANOM, Agence FOM, 240, 312.

55 General Report, Luang Prabang province, 3rd trimester 1919. ANOM, RSL E 16.

56 Report on the activities and situation of the *Douanes et Régies* during the 1st trimester 1909. ANOM, GGI 1150.

57 General report, Upper Mekong province, 1st semester 1926. ANOM, RSL, E 19.

58 The passage to which I refer occurs in the thesis of Philippe Le Failler, but was not included in the published study. Philippe Le Failler *Le Mouvement international anti-opium et l'Indochine*, (Doctoral thesis, University of Provence, 1993), 410.

59 Dominique Niollet has produced excellent studies on the purchasing campaigns. Apart from the publication already mentioned (see pages 329-344), a more confidential study is also recommended: "Les campagnes d'achat d'opium des Douanes & Régies de l'Indochine", *Les Cahiers d'histoire des douanes*, 42, 2010, 4-20.