Thai, Philip. China's War on Smuggling: Law, Economic Life, and the Making of the Modern State, 1842-1965. New York: Columbia University Press, 2018. 408 Pp.

Philip Thai has produced a pathbreaking study on the smuggling trade in China that will be of interest to historians, economists and general readers alike. Written in an accessible style, it chronicles the rise of smuggling from China's imperial period through to the present day, outlining how the changes in the country's legal and political system had ramifications on the way in which smuggling was treated and perceived. A major theme in this book centers on how the smuggling trade provided a platform for government intervention in the economy and acted as a backdrop for the justification for increased government control. The methods this took throughout Chinese history varied according to the forms of government present in the country at a given period. The transition from an imperial, nationalist and subsequently a Communist country would influence the way in which policies towards smuggling were adopted, and how the practice was perceived. Thai deftly analyses these issues, difficulties and transitions throughout the book.

Organized in seven chronological chapters, the book signposts the evolution of government policy over smuggling, and enables the reader to appreciate how the transition to different forms of rule facilitated the different practices governing the administration of the country and the styles of leadership that subsequently ensued. Chapter one sets the stage, outlining how the smuggling trade had the opportunity to flourish in China, primarily because this was a key developmental phase in Chinese history. The discovery of new commodities in China, together with the development of new forms of transportation, provided a haven for the smuggling trade. Nevertheless, coupled with this rise were the growing complexities in the field of international relations. Laws and customs concerning the import and export of goods would often lead to misunderstandings between China and those with whom it traded. For many, a lack of knowledge about Chinese laws and customs could lead to tensions and, as Thai notes, confusions and misunderstanding of treaties

concerning the importation of goods meant that smuggling, rather than legally importing products, now held greater appeal. This would permit the circumvention (albeit illegally) of a vast array of complicated laws designed to regulate and tax imported products. For some traders, especially those who were not fully cognizant with the complexities of different jurisdictions, this was an attractive proposition. This was seen, in particular, with Japan, where trade disputes often emerged—the foundation of which was Japanese unhappiness at what they perceived as unfair restrictions placed on their trading activities from 1858 in the aftermath of the first Opium War. Furthermore, the misinterpretation and misunderstandings of laws would also influence the way in which varieties of governments in imperial and early republican China would perceive the severity of smuggling and the goods that were being smuggled. As Thai notes, this impacted on the lives of all citizens, with stricter controls being applied through the imposition of taxes on imported goods, together with regulation on many products—from opium and weapons, to everyday necessities such as salt.

Chapter two speaks to a debate that is very relevant to today—tariff reform and the imposition of tariffs on goods as a protectionist method. Thai outlines how this took some considerable time to be implemented in China, owing to debates within the government about the necessity and fairness of the measures. Nevertheless, it was a move that was pushed heavily by some within the Chinese elite, who argued that this would be an essential tool in international trade to ensure China could not only guard its own interests, but also trade more equitably in the international market. Nevertheless, this naturally gave rise to a black market for several goods that were difficult to regulate. Thai clearly outlines in this chapter how the measures developed to guard China's economy and to enhance production at home helped to enforce the perception of a strong government protecting national interests, while acknowledging that there were other trades that they understood were taking place, but were increasingly difficult to regulate.

Chapters three and four examine in detail the impact of government intervention in the economy, and how this was perceived by both the wider public and the wider world. In this case, China was not alone in terms of governments exploring how they could become more involved in the

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running of an economy, especially during a time of war. Stricter controls on imports and exports, economic measures to increase tax revenue in the form of tariffs and taxation, in addition to the imposition of additional taxes on its citizens, were just some of the weapons in the government's arsenal. However, China's transition from an imperial to a nationalist country also brought anxieties for the people. It was unclear how this massive change in the style of government would impact not only the economy, but also people's daily lives. Thai clearly outlines that a disconnect emerged between the people and various governments, especially in the form of their leadership, and the optics within which they viewed smuggling. While governments tried to frame the priority to clamp down on smuggling within the policy framework of protecting China's borders, ensuring ethical trade and guaranteeing the security of the nation, the public's ambivalence to these responses demonstrate that this message was not necessarily being communicated effectively. Thus, while governments took even more draconian measures in their efforts to regulate the economy, the public's response to this, and the severity with which they viewed smuggling, was often out of step with government policy. Nevertheless, the expression of widespread dissent was muted.

Chapters five and six are a detailed examination of how China prepared for the Second World War, how it responded, and how the conclusion of war led to the re-emergence of smuggling as a problem for the Chinese state. The Second World War posed additional difficulties for China in that it was now experiencing a massive political disconnect following the invasion of the Japanese, and the subsequent ensuing civil war between the Nationalists and the Communists. These, together with efforts to clamp down on the problem of smuggling, placed huge strains on the national unity of the country, and in terms of people's views, perceptions and ideas of how major issues could be tackled, the country was split. Smuggling, naturally, was one, but this was a long-established problem. Indeed, it was an aspect that was treated with varying importance according to people's political persuasions and priorities over several decades and changed according to the prevailing ideologies of ruling governments. For this aspect, Thai returns to a common theme in the book -government regulation-and explains how the development of more government regulations and controls served to enforce the perception that

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the country was controlling illicit economic activity and taking care of the country's interests. Nevertheless, the passage of every new regulation saw a greater encroachment on the people's daily lives and their economic activities. With the end of the Second World War, the massive political transition that China was due to experience, in addition to the massive rebuilding effort required after several years of Japanese occupation, tighter and stricter government control would become the norm for the following decades.

This is an extremely interesting book that outlines the complexity of the Chinese economy, the difficulties that various governments faced in regulating illicit and legal activities within the economy, and the nature of the evolving relationship that China experienced in international trade with the rest of the world. It is a welcome addition to the historiography, especially at a time when China has become a major player in the global economy. It will serve as a way for economists and historians to understand the nature of the Chinese government and economy, together with the cultural norms that have served to shape the world view of Chinese economists. Furthermore, it will also highlight, for those unfamiliar with the topic, the type of illegal trade that has occurred in China, the areas in which caution should be exercised, together with how the government of China has decided to respond through the interventionist measures that it has developed. While many governments around the world are championing free trade and limited government intervention in the economy, this book explains why China adopted the policy of greater controls over economic activity and developed a more interventionist stance. Its war against smuggling was real, difficult, and challenging, and one that its government took seriously through the imposition of several (and powerful) controls. Indeed, this is a problem that many countries undoubtedly face today, but the relative success of the measures, as outlined by Thai, could also serve as a lesson for other countries looking for solutions to economic problems concerning illegal trade.

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