

silver inflow expanded the money supply and contributed to economic expansion until the 1820s. But in the early 1800s, Britain was the dominant world power, and British merchants were unhappy with the steady drain of silver into China. They searched for a commodity that would appeal to Chinese consumers and that could be imported into China and redress the trade imbalance. They finally located such a commodity in opium. Chests of opium—grown in India—were imported by British merchants through Hong Kong into China. By the 1830s, China was importing more than it was exporting. China now faced both an economic problem—a slowdown caused by slow adjustment to a shrinking supply of monetary metals—and a new social problem, opium addiction.

Chinese attempts to stop the inflow of opium led to the Opium War with Britain in 1839. The British crushed the hopelessly outmoded Chinese defenses, and in the Treaty of Nanking (1842) forced China to cede Hong Kong to British rule and open the first five Treaty Ports to foreign control. Through 1895, China fought four more wars against foreign encroachment and lost each one of them. After each loss, China was forced to pay reparations to the victors and open more Chinese cities to foreign residence and control. The Qing government, already enfeebled, was buffeted by internal and external crises, and never developed an effective response. Internally, the Taiping Rebellion of the 1860s and the Boxer Rebellion of the 1890s were the most notable sources of disruption. Externally, a range of foreign powers attempted to carve out separate spheres of influence in China, so the Chinese government had to cope with multiple adversaries.

Economically, politically, and militarily, Japan gradually took over from the Britain the role of the main foreign power encroaching on China, beginning with the Sino-Japanese War of 1895, which led to the seizure of Taiwan and its incorporation into the Japanese empire. One reason for China's relatively feeble response to foreign pressure may have been that it was under steady pressure for more than a century from a series of different adversaries and never had a "breathing space." In the wake of the antiforeign Boxer Rebellion, an allied force from eight countries (six European plus the United States and Japan) occupied Beijing and forced the Qing government to sign the 1901 Boxer Protocol. Essentially, the imperial government was placed under house arrest, and control over tariffs and other tax revenues was ceded to the foreign powers to guarantee payment of a huge indemnity. It is hardly surprising that the Qing government collapsed 10 years later, in 1911.

China's historical opening to the outside world thus coincided with a prolonged period of national humiliation. National weakness tempted foreign aggression, and foreign conquest further enfeebled China. Foreign investment