

time data are available—from large-scale rural surveys carried out during the 1920s and 1930s—they show substantial tenancy. According to a 1931–1936 survey conducted by the National Agricultural Research Bureau of the Republic of China, 46% of rural households were owners, 24% owner-tenants, and 30% tenants. Rents were high—about 45% of total output. Many farmers were in debt—various estimates collected by Feuerwerker (1969, 87) suggest that 40%–55% of households were in debt, paying annual interest rates of 20%–40%. For heavily indebted tenant farmers—indeed, for owners of small plots struggling to survive—life was very difficult indeed. Many poor farmers were unable to marry or sustain households and helplessly experienced the extinguishing of their lineage, which was the most serious offense against parents and ancestors. Sophisticated traditional agriculture allowed the growth of a huge population, but that population was highly vulnerable to any breakdown in the agricultural system that supported it. As Tawney (1964) put it in the 1930s, “The Chinese peasant is like a man standing on tiptoe up to his nose in water—the slightest ripple is enough to drown him.”

It appears that China was pressing up against the limits of economic possibility given traditional technologies—creating severe crisis—just at the time when a massive challenge was developing from the West. It is clear that ecological exhaustion deprived the economy of readily available materials, such as lumber and metal, and that environmental problems were becoming more severe. The Chinese government was not only unable to develop a coherent response to the external challenge; it was even unable to maintain its own most basic functions. During the 1860s southern China erupted in the Taiping Rebellion, which lasted a decade and ultimately devastated much of the lower Yangtze valley. Thus China entered a century-long period of decline just as the European countries were entering an unprecedented period of economic and population growth.

#### **2.1.4 The Failed Response to the West and Japan**

During the nineteenth century foreign powers began to have an increasingly severe political, military, and economic impact on China. Potentially, the economic stimulus from this contact could have been positive, but in fact China during the nineteenth century tumbled into profound social crisis. This crisis was certainly aggravated by the political and military challenge from the West, even though it goes beyond anything we can explain by the direct Western impact. Foreign encroachment on China began during a period of dynastic weakness, and it began with an economic crisis. For many centuries China had run an export surplus with the outside world, including Europe. Imported silver paid for traditional Chinese exports of silk, tea, and porcelain. Steady