

The Effect of Silver upon Chinese Sovereignty, 1869-1914
AP World History
Kienast

China was dominated by European powers by the mid 19th century. These European powers controlled China by forcing China to trade. While not part of the political empires of the Europeans, China was certainly controlled.

China was valuable to the Europeans for the luxuries that China produced, such as silk, porcelain, and citrus. Europeans began buying these luxuries in the 16th and 17th centuries due to plentiful silver that was acquired in the Americas. There were several economic and social problems caused by the global flow of silver.

One economic problem was that silver was scarce in China. China was constantly trying to get more silver into their country, even going as far as requiring silver to be used for taxes and as the main form of currency. The scarcity of silver in China led to the problems of decreased agricultural production, lack of local trade, and eventual mass migration. Agriculture declined because no one had enough silver to buy crops from farmers. Local trade suffered for the same reason: people didn't have enough silver to pay for goods and services. China tried to solve this problem by trading their goods to Europeans for silver, but rarely bought any European products in return. Europeans were enraged by this unfavorable balance of trade and insisted that China buy more European goods. In the end Europeans simply forced China to buy their goods through the use of force during the Opium Wars. Migration was, in part, the result of economic problems and political revolutions in China. People fled in order to avoid rising prices, shortage of goods, and political turmoil due to European conquest.

The demand for silver also led to a host of social and economic problems outside China as well. Desire for greater and greater amounts of silver led to European establishment of forced labor mines throughout the world, mainly in Latin America and South Africa. The problem of forced labor upset many Europeans, especially among social progressives. Europeans also felt that the desire for Chinese luxuries was unhealthy, creating a social dependency on trade that was not worthwhile. Lastly, the large influx of silver into Europe led to high inflation as demand for luxury goods rose dramatically.