

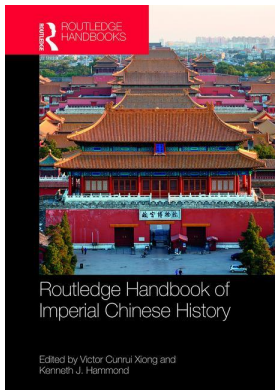
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THE QING DYNASTY (PRE-1800)

Growth and stagnation

Yangwen Zheng



Map 18.1 The Qing Empire. (See Tan Qixiang, vol. 8, 3–4.)

For the first century and a half of their rule, the Manchus gave China good government and strong leadership, so that Chinese life flourished in every regard. In the eighteenth century, China attained the last golden age of the imperial tradition and very likely was the most awe-inspiring state in the world.¹

Charles Hucker delivered this famous verdict on the reign of the first few Qing emperors: Shunzhi, Kangxi, Yongzheng and Qianlong, from 1644 to 1796. These emperors enlarged the map of China, consolidated its position of power, grew its economy and population and patronized arts and letters. This chapter sketches out the economic life of the early Qing to see what constituted the “last golden age”. It does so from several perspectives. Although historians have used “dynastic cycle” to describe succession in Chinese history, this does not always sit comfortably with the economic past, as, despite the change that a new dynasty can bring, its wealth and fortune often depends on and builds upon that of the old regime. Understanding the early Qing will help us see the successes and failures of the first few emperors; it will also help us better comprehend the contrast with the late Qing where China became the “sick man of Asia” and sitting duck of European and Japanese imperialism.

The Manchus had prepared for their conquest of China since 1616, when the Later Jin dynasty was founded, if not earlier. They learned from the Ming and modeled their civil administration after the “six ministries” despite the fact that the Eight Banners were more or less their entire apparatus. They knew they had to be functional immediately once they entered China, a country much larger than their homeland, a people with a very different culture and an economy based on agriculture, trade and commerce. Hunter-gatherers living in the vastness of Manchuria, with long and harsh winters, some Manchus moved with the seasons as their animals needed green pastures; others were becoming more settled as they began to expand southwards toward Ming China, and as Chinese captives and migrants joined them. Ruling was different from conquering; they first needed to restore not only order but also the economy as years of rebellion and conquest had devastated the land and its people. Let us see what they did in order to establish themselves as rulers after they conquered Ming China.

“Rest for the People” [*yumin xiuxi* 与民休息]

When the Eight Banners entered China in 1644, the Shunzhi emperor (reign 1643–1661) allowed land enclosure so that banner troop-families, both aristocratic and ordinary, could settle with their army and livestock and later make a living. These were fertile lands around the capital Beijing region and around the country as they marched down the Central Plains to conquer China proper. The effect of this policy was devastating as it reduced the Chinese farmers who owned these lands to tenants and even beggars. Many banner men and families did not till the land they were allotted; they rented it out – making them not just alien conquerors but also landlords, some very large. This was not a policy that would earn the Manchus support when they needed it in the early days of conquest. The Kangxi emperor (reign 1662–1722) knew the importance of land to peasants and social stability; he reversed his father’s policy and abolished land enclosure in late 1660s. Enclosed lands were returned to Chinese owners and peasants. Kangxi also laid his hands on land that belonged to the Ming court. The Ming had granted a large chunk of land to its blood princes scattered around the country; this was tilled by peasants. Kangxi simply granted tenure to those who tilled the land by changing the name of the owners. This “name change” mechanism was a popular move as it pleased Chinese peasants who would help raise productivity on the land.

To make more land available for cultivation, the Kangxi regime encouraged migration. Rebellions at the end of the Ming and conquest in early Qing had depopulated many areas, the province of Sichuan being a good example. Kangxi issued edicts that encouraged, facilitated and even rewarded migration to the province. This was a most important policy as it relieved overpopulated areas in coastal and South Central China where people fled as a result

of Manchu conquest; it made land available to many and helped buttress frontier towns as their conquest moved down to southern China. “Huguang filled Sichuan” is a saying that described large-scale migration from Hunan-Hubei and Guangdong-Guangxi provinces to the Sichuan region. This wave of government-sponsored migration filled the Sichuan basin and spilled beyond to eastern Tibet, making Sichuan the most populous province during the late Qing, a position it still holds today. This was indeed “state-directed colonization” and it was not limited to Sichuan. This policy was adapted and promoted locally around the country; in some provinces, peasants simply went to open up hilly and less populated areas of their own accord. Taiwan was also a destination for migrants, as many had moved there during waves of Chinese resistance during the late Ming – so were areas in Southeast Asia such as Malaya and Siam. This would have consequences for both the region itself and Qing China.

“Moving people to buttress the frontier” 移民實邊 was not a new policy under the Qing; it was invented 2,000 years ago as the Han dynasty moved people to newly conquered frontiers to buttress the border region. With the Manchu conquest of Mongolia, Xinjiang and Tibet in the late-seventeenth and early-eighteenth centuries, the Qing opened up the northwest and southwest for Han Chinese settlement, hence agricultural and economic activities. This helped ease population growth as conquest gave way to peace and life returned to normal; it expanded cultivable land and encouraged diversification that would soon play a vital role in feeding the increasing population. Thus, the Sinicization of peripheral China began more than 2,000 years ago; it intensified during the early Qing. The only place they barred the Chinese from settling was their homeland, Manchuria, which the Qing court kept as their own hunting ground. But increasing Russian encroachment in the mid-nineteenth century saw a change of heart as the late Qing court encouraged Han Chinese migration; many from such northern provinces as Shandong went to Manchuria. This was a smart move. Han Chinese settlement helped deter Russian advance and the Chinese were well entrenched before the Japanese invasion and colonization in 1930s. This was a lesson that the Communist regime would learn as they further buttressed frontier regions with migration and agriculture after 1949.

Kangxi also set about repairing and restoring important waterways such as the Yellow River, River Huai and the Grand Canal. This was important as these were the major highways of Qing China which transferred goods from southern to northern China, or, more precisely, to Beijing. Water management had always been a major political task as it measured the success or failure of a regime. With good administration, it would enhance irrigation and reduce the frequency of natural disasters. Kangxi’s undertaking was followed up by his son the Yongzheng emperor (reign 1723–1735) who oversaw the construction of dikes along the eastern seaboard in Jiangsu-Zhejiang provinces to protect farmland. These set examples for further development as local officials cleaned up and repaired many rivers and built reservoirs in their provinces. These initiatives were vital to the agriculture and transportation system without which the empire could not function; they regulated water flow and distribution in an agrarian economy and prevented flooding. Knowing the importance of precipitation to agriculture and its potential to trigger disasters, Kangxi and Yongzheng demanded reports on rainfall, natural disasters and crop failure from local officials; the early Qing has left us a wealth of sources on weather, ecological and agricultural change. They also sent spies to check on local situations secretly, keeping a close eye on the vast empire and its fleet of officials in an effort to guard against disasters of all kind.

Making land available to peasants, encouraging migration to open up more land and managing water were part of a policy which aimed to restore the agriculture-based economy. This was the age-old strategy, “rest for the people”, which many previous dynasties/

regimes used in their early years of conquest and also at times of crisis. However, this was not enough for Kangxi, who also undertook fiscal reforms to reduce the economic burden on peasants. Peasants had to pay many different kinds of taxes. They included those paid in silver according to the number of people in the household, the so-called “head tax”, as well as land tax, levies on grains and tariff due in service. Kangxi adopted the so-called “single whip law” fashioned by the Ming statesman, Zhang Juzheng, which put all taxes under a single payment. This abolished the head tax; in other words, one’s taxation would not increase with each new birth in the household. Tax collection thus became easier to manage and the burden on peasants was reduced.

Kangxi sometimes abolished taxation ad hoc depending on the situation. At times of natural disaster, this was most important as it relieved peasants of their usual levy and helped them recover. This was also applied at special occasions, for example, in Kangxi’s 50th year (1712), and for three years, he canceled the one-week grain levy. Yongzheng would go further by making banner men work to earn a living, rather than relying on imperial hand-outs and privileges earned by their ancestors who had helped to conquer China. This was not a popular move among the early Qing aristocracy. However, these measures do suggest that Kangxi and Yongzheng were vigilant, hardworking and effective emperors who in their effort to establish the dynasty did their best to restore and grow the economy. Their successor Qianlong more or less continued with the same kind of policy in his long reign in the eighteenth century (in theory lasting 1736–1796, but in practice until 1799).

Food, diversification and cash cropping

Did the policy of “rest for the people” improve production and feed the increasing multi-ethnic population as conquest gave way to peace and stability? Mainland economic historian Jiang Jianping has done much work on the price of rice which can help us gauge food supply in the early Qing.

Rice was sold at about 2 silver taels per *dan* (a Chinese unit of measurement) when the Manchus came in 1644. This price serves as a benchmark as it began to drop, hitting 0.8 taels during the second year of Kangxi’s reign in 1663. This was when the Manchus pushed down into the Central Plains to conquer China proper as many people, not just Ming soldiers, died or fled to southern China or even Taiwan and Southeast Asia. Less demand made the price drop. This low price remained more or less stable for four decades until the early eighteenth century when it began to climb as life returned to normal, the population increased and the demand for rice, the main staple in the Chinese diet, grew. The increase in prices became sharp during Qianlong’s reign, reaching 3.5 taels in the 1780s. Population growth had driven up the price of rice; it was outgrowing existing capacity. The price of peace and stability had begun to take its toll on China’s food supply.

Feeding China was not an easy task. Economic historians like R. Bin Wong have written about the shortage of rice during the long eighteenth century. When the challenge first appeared in the early Qing, Kangxi allowed rice imports from Southeast Asian countries like Siam; this was especially important in disaster-stricken years, and Yongzheng and Qianlong also followed this policy. Although they feared that imports might jeopardize the security of the empire as it could bring in unwanted people, goods and ideas, the need to feed the increasing population was urgent and took precedence. Officials in coastal provinces even invented a mechanism where local Chinese would be awarded for the amount of rice they imported. Hence locals received various official titles and even positions that could only be procured after years of learning, examinations and service to the regime. This was not

unprecedented in Chinese history, but it reveals how desperate the regime was and how pragmatic they were. The emperors' fear ultimately materialized as the rice trade saw the return of overseas Chinese who had settled in Southeast Asia; it also enabled mainland Chinese to sojourn there. They returned with rice, but they also returned with other goods and cultures, including the habit of opium smoking. Opium would soon change the course of Chinese history.

But why did the price begin to drop after 1780, when population growth was increasing, some might say exploding? We can measure the Qing's productivity, the need for foreign imports and the reasons for agricultural diversification. Neither home-grown nor Southeast Asian rice could feed the increasing population. What else was there to feed the Chinese people? The answer lies in what the Chinese called *zaliang* 雜糧 or "miscellaneous grains", which included maize and sweet potatoes, labeled as "jade rice" and "foreign yam". Alien to China, they were brought in by either foreign traders or sojourners to Southeast Asia during the late Ming and early Qing. Although people in the coastal region had cultivated maize and foreign yam ever since they had arrived in China, production was piecemeal and family-based, rather than large-scale, and these crops only served as a supplement to human diet, as they were used in feeding domestic animals as well.

The situation changed after the 1780s as maize and foreign yam were cultivated by nearly all rural households. These crops are easy to grow and can be cultivated everywhere, especially in hilly and poor lands; they neither take the best land, nor need much care or labor. Not only are they filling and can be consumed in different ways, they can also be cooked easily in and with other foods. They make wines and great snacks. From a lowbrow dietary supplement, they were transformed into staples on the Chinese dinner table and fed millions. Without "jade rice" and "foreign yam", the Chinese population could not have increased in the eighteenth and early nineteenth centuries. Without them, the Korean Peninsula, Taiwan and Southeast Asia would have seen more migrants and refugees from China.

The result of prolonged peace and stability is clear to see as it put pressure on food supply. How much did the Chinese population grow? It is important for us to see that the origin of the later population explosion lay in increased food production. Xu Dixin and Wu Chengming believed that the population increased from 120 million during the late Ming to 300 million at Qianlong's reign (1736–1796) and 400 million during the Daoguang emperor's time (r. 1820–1850). China's population more than doubled during the early Qing. The result of this was clear to see by the late eighteenth century and has plagued China ever since. From increased land which produced more grains, to imports from Southeast Asia and diversification, the early Qing regime was able to not only feed but also grow China's population. In addition, it was able to weather natural disasters that began to hit the empire more often than ever before. Disaster relief is another indicator of abundant food supply and effective leadership, and has generated much scholarship in recent years. However, it also exposed the consequences of overcultivation, land exhaustion and deforestation as the destruction of the environment led to natural and sometimes man-made disasters. The early emperors watched the empire carefully as their officials reported weather and harvest diligently; they were able to troubleshoot effectively, thanks to the supply of food and their able officials. This changed after these emperors left the scene in the nineteenth century, when China became the "land of famine".

The Chinese economy diversified in the early Qing; it also saw increased cash cropping in a variety of agricultural products, but this was not new. The cultivation of silk as a cash crop began during the Qin-Han era, supplementing household income and helping pay taxes, while early imperial regimes used silk to trade with the Mongols and Central Asians for the horses China needed. This was the same with cotton during the Yuan-Ming dynasties. The

Mongols needed cotton for their increasingly sedentary lifestyle and their ever-growing military machine. The Yuan regime encouraged cotton cultivation and procured it from farmers as “tax in kind”. Although the Mongols were driven out of China by 1368, they still needed the cotton Ming China produced. The Ming regime used both “mandatory fiats and incentive measures” to promote cotton cropping as it used cotton to buy horses from the Mongols and even to pay officials’ salaries. Cotton cash cropping turned the lower Yangzi River delta region into the center of an industry that specialized in dyeing, weaving, wholesale and retail. Thanks to the Yangzi River and the Grand Canal, this industry gave birth to other businesses and galvanized the early Qing economy.

Historians have labeled cotton cash cropping China’s “capitalist sprouts” and have used it as evidence for China’s early industrialization. Many of these small-scale household or village-based industries were in the hands of women who worked to support their family and supplement its income. Women would continue to be the driving force of Chinese industrialization in the century after the Opium War, when they worked in modern textile factories. Dwight H. Perkins stated that “cotton was and is China’s most important agricultural crop” during the Ming–Qing dynastic era, and “the raw material for China’s largest handicraft industry and later for China’s first major modern industry”.² Cash cropping had supplemented national as well as individual household income; it defined China’s trade and diplomacy. Cotton played the same role as silk did in early imperial China, but there were other cash crops in the early Qing, some even more significant than cotton.

Tobacco was relatively new in comparison to silk and cotton. It appeared in Fujian province during the latter half of the Ming and quickly spread as far north as Manchuria. The Manchus were such heavy smokers that the last emperor to rule from their homeland before they entered China in 1630s, Hong Taiji 皇太極 (1626–1643), issued edicts banning its cultivation and consumption. Tobacco was widely cultivated all over China by the early Qing. What makes tobacco different from cotton is that it was so diversified and commercialized that different localities fashioned their own brands, such as *Yunyan* 雲煙 or Yunnan tobacco. Chinese tobacco mainly met domestic demand and set the precedent for opium. Fujian, Guangdong and Taiwan were centers of sugar cultivation and production. Blessed by the natural environment, sugar production supplied not only China but also other Asian countries. The coastal province of Fujian seems to be prominent in the story of tobacco and sugar, but it was Fujian’s tea that would change the course of history, not just for China but also for Europe and America.

The most important cash crop in the early Qing was tea, as it not only supplied the domestic market but also Southeast Asia, Europe and North America. Fujian was the leader in this as the Wuyi Mountain 武夷山 area grew the brands preferred by Europeans. The weather and mountainous environment made Fujian perfect to grow tea, and it was the only livelihood in the region. There were both large farms and small holdings, the latter run mostly by families, clans or village cooperatives. Some only grew and sold fresh tea while others processed it, and local buyers shipped and marketed them in towns and cities, where Wuyi tea exchanged hands among professionals at various guildhalls and occasions in the province and around the country. From producer to consumer, commercial guilds to foreign traders, the mechanism of buying and selling tea was well-established with its own rules by the early Qing. Foreign demand was growing rapidly by the early eighteenth century, and Europeans were beginning to purchase large quantities. Tea to a great extent defined China’s foreign trade during the early Qing. This takes us to the most important aspect of the early Qing economy which would ultimately lead to the First Opium War and the Qing’s decline.

Foreign trade and finance

Tea takes us to the early Qing's export trade, a most important aspect of its economic life. Just as silk and porcelain defined China's foreign trade during the Han-Tang and Song-Yuan eras, tea rose to characterize China's foreign relations during the early Qing. The Kangxi emperor relaxed foreign trade after Taiwan was brought into the orbit of the Qing Empire in the 1680s, setting up four maritime customs along the south and eastern seaboard. The court appointed its own agents, hong (*hang* 行) merchants, to manage foreign trade, who headed *gonghang* 公行, or *cohang*, which can be translated as public companies. These companies are more often called *yanghang* 洋行, which can be translated as Foreign Company, as they served as liaison and security for foreign traders, working directly under the governor-general of the Guangdong-Guangxi region. They procured for the Imperial Household Department, with profits going to imperial coffers. This way, the court had control over foreign trade and its profits, establishing a monopoly of the imperial kind.

But the early Qing's foreign trade was subject to policy change. Kangxi closed it in 1717 due to the "rites controversy", the Vatican's quarrel over "dual worship" on the part of Chinese converts to Christianity. Yongzheng reversed his father's policy in 1727, but this move was overturned by his son, Qianlong, in 1757, who limited foreign trade to only one port, Guangzhou (Canton). This father-and-son tug of war over foreign trade policy did not really matter as imports not only increased in volume but also diversified. Opium is a good case in point as it grew steadily ever since Yongzheng issued the first edict banning its trade and consumption in 1729. Conniving with local officials, the *hang* merchants found ways to import whatever would make money; they were flexible and resourceful. This exposed problems within the system, and shed light on corruption as merchants bribed officials of different levels and functions. A more powerful testimony to the increased trade and diversification comes from the English East India Company (EIC), which came more often and bought more tea from the 1760s, after the one-port restriction was placed. This testified to the growing volume of foreign trade, hence profit which went directly to the treasury of imperial and local governments.

Britain was the largest buyer of tea. It had become addicted to tea and dependent on China for the drink by the mid-eighteenth century when the British government passed the so-called Commutation Act in 1784 in order to ensure its availability. This act required the EIC to provide a year's stock and reduce its tax from 119 percent to 12.5 percent. High taxation had encouraged smuggling; ending it increased revenues through legitimate sales. The tea trade employed "direct from England 20,000 tons of shipping, and nearly three thousand seamen", bringing "into the Exchequer annual revenue of about three millions sterling" by the 1780s. The only problem for the EIC was that tea could only be procured from China before the 1860s, when the monopoly was broken as British India began to grow tea, and China only accepted silver for payment and bought little in return from the British except European-made clocks, which the early Qing emperors enjoyed and collected.

The imbalance in the trade of tea led to a deficit. This caused problems for Britain, which found it increasingly hard to obtain the large quantities of silver required by its long-distance trade with China. By this point, China had become silver-rich through foreign trade. The British looked for things the Chinese would buy with silver, and they found hope in opium. As China bought more opium toward the mid-late eighteenth century, more silver left China; this outflow would intensify in the early nineteenth century as the demand for opium grew inside China, depleting the country of its stocks of silver and leading ultimately to the First Opium War. Historians have debated the amount of silver brought into China through

foreign trade. Despite disagreement between scholars, we can gauge the early Qing's silver stock: first, from the amount the regime extracted as tax or contribution from rich merchants, and second, from the outflow of silver in the opium trade by the early nineteenth century: 74 million taels between 1801 and 1826, and 133 million between 1827 and 1849.

Tea export highlights the role of foreign trade in the early Qing economy; it also reveals what sustained contact with the outside world would do to the domestic Chinese economy. We have seen the consequences in terms of silver inflow, but there are more important lessons. The early Qing's foreign trade was closely linked with the Chinese Diaspora, which had been instrumental in the economic life of China since the Ming at the very latest. The Chinese diaspora served as translators for Europeans. They were also the middlemen buying goods from the indigenous peoples of Southeast Asia and China, and then selling them on to Europeans, as they could not go into China before the First Opium War. They sent much-needed rice to the mainland and also brought home new consumer goods and cultures, such as opium smoking. Soon, the Chinese diaspora in Southeast Asian countries came to grow whatever goods China demanded, opium being a clear example, turning the region into an "offshore production zone for China". This process continues today. Recent scholarship has pushed for a more nuanced economic history by integrating maritime trade and diaspora studies into mainstream Chinese history. The early Qing is a watershed in the *longue durée* as it saw increased trade with the outside world.

The early Qing was the turning point in China's foreign trade which, from the Han dynasty, had been limited to luxurious and exotic items destined for the court and princely/elite households. This pattern of trade remained until the latter half of the Ming as two new categories appeared after the usual luxury sorts:

- 1 Fragrances and spices
- 2 Rare birds and animals
- 3 Exotic and precious things
- 4 Herbs and herbal medicines
- 5 Weaponry
- 6 Handicraft raw materials
- 7 Handicrafts, textiles and household appliances.

The first four categories had been stable imports from the Han-Tang era. But categories six and seven were new, beginning with the Ming. For the first time in Chinese history, ordinary consumer and household items entered the privileged list of foreign imports. This process would intensify during the early Qing and become the norm by the early nineteenth century. *Xiamen Gazetteer* (Xiamen zhi 廈門志) and *History of Guangdong Customs* (Yue haiguan zhi 粵海關志), both published in the early nineteenth century, recorded imports taxed by these two customs and their records included only textile and garments, foodstuff and sundry goods, household items and raw materials. Exotic luxury goods such as fragrances and spices disappeared from the inventory of import by the early nineteenth century. The early Qing is significant in the story because it was during this period that change occurred – China's foreign trade was transformed as it became driven by consumer needs, rather than by those of the court and elite. This was a milestone in the history of maritime trade, as consumers for the first time dictated the gist of foreign trade. What propelled this change and what does the change tell us?

First of all, the change indicates that there was probably demand for imported ordinary consumer and household goods, or at least a market which could be exploited. This in turn

leads to the following obvious questions: Does it mean that China could no longer meet its own demand when it came to such basic consumer goods as textiles, foods and household items? Did population growth outstrip the Qing's capacity or had Qing technology fallen behind, thus making Chinese goods less competitive? One cannot answer these questions without more research, but some preliminary conjectures can be made with the facts we already know. The rapid expansion of China's population, from 120 million during the late Ming to 300 million in the early Qing, would have undoubtedly put pressure on food supply as we have seen in the case of rice; this would be extended to other ordinary consumer and household items. If new technology did not emerge to increase production, existing supply could not meet the increasing demand. As in the case of rice, foreign import became one source of supply and the *hang* merchants were more than happy to facilitate this as they themselves profited from it enormously; the *hang* were not, of course, the only beneficiaries of increased demand for foreign goods as we shall see in the following section.

Secondly, this increased demand for foreign goods points to a consumer trend where consumers simply preferred goods, the so called *yanghuo* 洋貨 or “foreign stuff”, from outside of China. This is not therefore a question simply of demand but about taste and socio-cultural distinction. In turn, it points us to the increasing sophistication of Qing's consumer culture. In other words, China's own foodstuff and textiles, among other goods, might not have been sufficiently fashionable or able to guarantee status for rich consumers and those willing to pay in order to “keep up with the Joneses”. Tobacco and opium provide good examples and contrasts. Tobacco had been indigenized by the late Ming and widely cultivated during the early Qing; it was something ordinary that everyone could afford. But opium was different; it was new, foreign and trendy, and it could only be procured through foreign trade, making it more expensive and indicative of status. Other popular “foreign stuff” included clocks, exotic and costly imports that only the emperors and ranking officials could afford. Some *yanghuo* would transform from court and elite luxuries to popular consumer goods, but this depended on a few important variables without which their consumption could not translate into mass demand. This leads us to the internal trade and commerce that worked in tandem with foreign trade.

Urbanization and mass consumption

Taste alone does not provide an opportunity for trade and cannot translate into demand if there is no supply chain able to meet it and turn it into a market. The *hang* merchants put in charge of foreign trade in Guangzhou could not function without the commercial networks that bought from them and transported foreign goods to all corners of the far-flung empire. These networks were long established and specialized organizations that were controlled by the various *shangbang* 商帮 or Commercial Consortiums, business operators that originated from a common locality and engaged in long-distance trade and haulage. The study of business history might be new in the West, but the existence and power of local Commercial Consortiums has a long story in China. Mainland historians agree that they flourished during the Ming-Qing dynastic era as a result of rapid commercialization and there are a dozen notable consortiums such as *Shaanxi shangbang* or Shaanxi Commercial Syndicate. Although they originated from Shaanxi, they conducted businesses and built guildhalls in big cities like Beijing and Guangzhou. Their guildhalls were not just places of business for members but also hotels for students who journeyed to the capital for imperial examinations and officials who traveled on business. Similarly to home-town associations, they provided support and a venue for networking of all kinds.

Without commercial consortiums and their affiliates working around the country, foreign goods like clocks and opium would not have reached China's big cities, small towns and even villages. Their business was to trade and transport goods from one place to another for wholesale or retail. But they could not have operated smoothly without such agencies as *biaojū* 鏢局 or the Escort Bureau. The Qing inherited the Ming mechanism to use silver for large transactions, but carrying large quantities of currency in long journey put merchants at risk of theft and attacks of all kind. The need for protection gave rise to security companies, who acted as merchants' warriors, as those with martial skills and weapons protected merchants and their goods during prolonged travel. Although the Escort Bureau has a long history in China, as many businesses and rich families used its service, its commercialization and professionalization intensified during the early Qing as inter-regional long-distance trade increased and security became a major issue. Why did security become an issue during the Qing? Early Qing land enclosure, the outbreak of many natural disasters, increasing population and poverty – China's changing social environment, in a nutshell – were major factors.

Inter-regional long-distance trade also demanded a financial system that could facilitate large transactions in silver. This led to the emergence of *piaohào* 票號 or Notes Hall, which were banks where the earnings could be deposited in one city and cashed in another with a note from a bank. This reduced the risk of carrying and moving silver, which was heavy and bulky, and it brought down the cost of transaction and enhanced the circulation of both goods and money. Bank notes or paper money emerged in the Song and were used during the Yuan dynasty as the extended Mongol empire demanded a monetary mechanism that facilitated global trade. These were products of increasingly long-distance and foreign trade since Yuan-Ming times, when they became institutionalized. Their prominence in the early Qing is a powerful testimony to the augmentation of foreign as well as domestic trade. Among the most enduring of these banks were those from Taigu or the Shanxi bankers who operated until modern banks emerged in the early twentieth century. Taigu 太谷 has been called China's Wall Street. Commercial consortiums, escort bureaus, and banks initiated, protected and facilitated large, cross-regional long-distance trade; they were testimony to increased trade, money circulation and specialization in the early Qing economy.

Commercial guilds, escort companies and banks all operated in towns and cities where merchants converged and where goods were advertised, bought and sold, either wholesale or retail. Many historians agree that Ming-Qing China saw increased urbanization and some have written about individual cities that were centers of commerce and culture. What marks the early Qing is that small towns grew into cities and old cities grew into regional and national metropolises. They grew not because they were seats of governments but because they were hubs of commerce and finance, of mass consumption and industry such as handicrafts. The economic center of life permanently shifted from the countryside to towns and cities, something which can be seen from the emergence of new institutions and, with it, new professions, consumer goods and trends (as mentioned above). Some towns and cities became pillars of the early Qing economy.

Beijing was not just home to the Manchu court and national government but also residence to nearly 200 Commercial Consortiums that specialized in different kinds of goods. Their guildhalls were not just places for business and hotels; they were also restaurants and theaters for those from the same town or province, a home away from home which allowed students, officials, merchants and bankers to mingle and network. They spread provincial food and culture to the capital, and also advertised new fashions in their home towns and

provinces. They spread news, intelligence and gossip of all sorts as they traveled across the whole country. Even more important were cities like Hankou. Sitting on the Yangzi River which connects to the Grand Canal and on the spine of the country from Beijing to Guangdong passing through many strategic towns and cities along the way, Hankou literally sits in the heart and crossroads of China. It was absolutely vital as the depot and transit station for both people and goods from many directions. Its geographic location contributed to its rising importance during the early Qing, which continued in the late Qing as many foreign countries established consulate offices in the city. The railway from Beijing to Guangzhou passes through Hankou, and the retreat during the Anti-Japanese War from the capital, Nanjing, to the wartime capital, Chongqing, was greatly facilitated by the city and its waterways.

Increasing urbanization since the Ming turned the lower Yangzi River delta region, known as Jiangnan, into China's capital of commerce and culture of consumption. Suzhou, China's "heaven on earth", was the most developed city in early Qing not just because of its geographic location on the Grand Canal and at the heart of the delta region connected to Nanjing, old capital and seat of regional government. It was also where the royal manufactory, Suzhou Textile Bureau, was located and the heart of the textile trade. Its sophisticated taste and culture defined royal style and set the trend for the nation. Shanghai would take over that role after the First Opium War when Western culture and style began to invade China. Guangzhou, which foreign traders and missionaries called Canton, was another regional hub, as it was the destination of all export goods and arrival port of foreign goods. This ancient maritime region was quietly replacing Suzhou and Jiangnan region to become the source of exotic foreign goods, such as European-made clocks that were sought after by the Qing court and the rich, and foreign cultures of consumption, such as opium smoking. Consumer taste and culture were changing in the early Qing. There were many important towns and cities in the economic life of the early Qing, such as Yangzhou, capital of China's salt trade, and Foshan, capital of the country's iron industry.

Towns and cities were not just commercial and financial hubs, they were also cultural centers where taste was fashioned and trend was set. Regional metropolis like Hankou, Suzhou and Guangzhou were where the rich and the educated elite lived; they had the taste and capital for new exotic foreign goods. This Chinese desire for "foreign goods" has been labeled "wind of the West Ocean" (*Xiyang feng* 西洋風). It began to blow during the Ming and intensified and became a trend during the early Qing. The fashion for "foreign goods" discriminated against local Chinese goods in preference for foreign imports, which were rare, expensive and status symbols. European-made clocks were a clear example. Introduced by Jesuit missionaries during the late Ming, clocks became a status symbol in the early Qing and were highly sought-after. The Kangxi, Yongzheng and Qianlong emperors were enthusiastic collectors, and their palaces were filled with these exotic, expensive and indulgent timepieces. The emperors set the example as the elite and soon the upper middle classes began to covet clocks as well. Otter fur offers another example. Manchus used to be proud to wear mink fur, native to Manchuria. In the early Qing, however, sea otter of North Pacific Ocean became the fashion. China's demand led to a race among Russians, Canadians and Americans with devastating consequences for the animal.

In addition to clocks and fur, opium offers a great example of changing tastes and new consumer culture. Opium was initially smoked with tobacco, an ordinary commodity available to everyone, as rice imports brought many overseas Chinese in Southeast Asia home to the coastal provinces of Fujian and Guangdong during the early Qing. But when China's

urban elite picked up opium in the eighteenth century, they reinvented it and transformed it into a fashionable consumer item. This can be seen from the fact that opium smoking first emerged in taste-making and trend-setting cities like Guangzhou and Yangzhou long before the opium wars in the mid-eighteenth century, and from the industries that opium was integrated in: restaurants, teahouses and brothels. Elite consumption does not necessarily translate into a general consumer trend, as can be seen from the case of clocks. Opium smoking would not have flourished without keen-eyed market operators who saw its potential and quickly set up shops to facilitate and promote its consumption. These market operators included overseas Chinese who would soon cultivate opium in Southeast Asia, supplying the mainland market. They were emulated by peasants on the mainland who switched to grow opium as they had with tobacco, turning it into a cash crop, and they would be followed by the various “opium regimes”. Without the foundations laid in the early Qing, opium smoking would not have spread with such speed in the late Qing.

Industrialization and concluding thoughts

When central-eastern China became the center of commerce and culture, the northern plains and southern-western China saw early industrialization in mining. The provinces of Yunnan, Guizhou, Sichuan, Hunan, Guangxi and Guangdong were home to a wide range of minerals, metals and other natural resources, such as phosphate, tin, zinc, lead, copper, antimony mine, iron and natural gas. Salt mining, for example, began in what is today Sichuan more than 2,000 years ago before the Middle Kingdom existed. It had always been a profitable, specialized and complex industry licensed and taxed by the government. The salt industry had its investors, and there were many guild merchants; there were also small holdings made up of friends and family who were entitled to dividends. There were guilds that specialized in wholesale, those that specialized in long-distance transportation and those that specialized in retail. Salt merchants were the richest before opium came along. One estimate suggests that there were 6,116 mines during Yongzheng’s 9 (1731); this increased steadily in the following century to 8,832 mines in Jiaqing 25 (1820). These figures do not include private and illegal mines, which managed to dodge regulation and taxes.

Copper mining began in Yunnan during the Han-Tang era and intensified during the Song-Yuan period as China’s copper coins became the currency of transaction in many countries in Asia and beyond, as a result of intensified regional-global trade. Anyone who controlled the region would benefit from the enormous profit copper generated and could control money supply. The province was in the hands of General Wu Sangui 吳三桂 in the early Qing. After the Qing pacified the “three feudatories”, who included Wu in the late 1680s, the Kangxi emperor banned all kinds of mining in south-western China. Mining, like maritime trade, was subjected to policy change. Despite prohibition, mining went on in many areas, and the Qing regime finally realized that it was better to keep it under its own regulation, rather than leaving it to local control, not just because they needed copper but also because as Yunnan was a vital frontier. The region concerned national security, as it bordered foreign countries and could easily harbor rebels, as it had in the late Ming and early Qing. Guizhou and Hunan also mined copper, as did Jiangxi.

Guangdong was home to iron ore, another important material for the production of household utensils and more importantly weapons. Foshan 佛山 was the capital of China’s iron industry during the Ming as it was licensed by the government to produce both domestic utensils and military equipment. This continued during the early Qing, when Foshan was dotted with furnaces employing tens of thousands of workers. Iron made the

town famous, and it led to early industrialization. But this was not limited to Foshan and Guangdong, as neighboring Hunan was also mining and producing iron. Where southern China was blessed with minerals and metals, northern China was blessed with coal. The province of Shanxi had the largest coal deposits. Written records suggest that mining began at least in the Northern Wei period (386–534). This intensified during the Song when gunpowder was invented and regimes fought for to control coal, which was used to derive sulfur, the major ingredient for making gunpowder. Like its predecessors, the early Qing regime and the Qianlong emperor in particular, encouraged and regulated coal-mining. Coal was transported to many parts of the country for military, industrial and domestic uses.

I end my discussion of the early Qing with industrialization for a good reason. Iron and coal defined the Industrial Revolution which enabled Britain to race ahead, and they have been at the heart of the academic debate centered on the “Great Divergence” that has tried to explain how and why China fell behind Western Europe, and behind Britain in particular, in the eighteenth century. Even before this debate had begun, historians of China were aware that the Middle Kingdom was endowed with everything that Britain had and more, and that it was more advanced technologically and richer, due to the influx of the world’s silver from the early sixteenth to the late eighteenth centuries, as we have seen in this chapter. Although the “Great Divergence” is not the focus of this chapter, it can help us see the stagnation of the early Qing.

The early Qing regime was able to restore the economy and feed the increasing population through an array of mechanisms: making land available and encouraging migration, diversification and foreign imports. But these mechanisms were established under the leadership of vigilant and able emperors, rather than technological innovation and increased productivity. Once they left the scene, the consequences of land exhaustion and overpopulation began to hit the country; in the absence of effective leadership, these turned China into the “land of famine”. Although increased foreign trade brought a massive influx of silver, making the early Qing rich, the regime limited foreign trade despite its pragmatic policy on rice import. This restriction contributed to the growth of opium imports. Had Chinese emperors maintained an open policy where foreign traders could sell according to demand, Chinese consumers might well have bought more clocks rather than opium. The case of opium makes a mockery of the Qing’s policy, as its regulation never worked – the 1729 prohibition only saw its growing popularity and consumption in subsequent years. It also points to the fact that the early Qing regime had no control on the economy as opium smoking grew into a fashionable consumer culture under its nose. Historians have traditionally underestimated the role of China’s foreign trade in the early Qing economy; this chapter has tried to address that.

Population and cultivable land grew, as did foreign trade, commerce, consumption, towns and cities. It would seem that the early Qing saw growth. Nonetheless, this growth was accompanied by stagnation and it was not sustainable, to use contemporary jargon, for several key reasons. (1) It relied heavily on the leadership of able emperors whose departure would and did see a difference. (2) Its foreign trade was dependent on currency over which the regime had no control and on a single commodity which could be replaced once a solution was found, as Britain began to grow its own tea in India since the 1860s. (3) The seeming growth came at the cost of the natural environment, the consequences of which were already manifesting in the early Qing. (4) Despite the commercial guilds and banks, commerce and industry were operated by family on the micro level, limiting capital accumulation and investment. (5) Worst of all, there was no innovation as dated technology continued to

function. Once the effective leadership and foreign demand that had generated wealth were gone, the backwardness of China's technology and the consequences of environmental destruction began to plague the Qing.

The early Qing was crucial in the making and our understanding of the late Qing. It also helps put the comparative success of Western Europe in perspective. Historians have often contrasted the early Qing where China appeared to be rich and powerful with the late Qing where she was reduced to the "sick man of Asia". But the "seeds of destruction" were already sown in the "last golden age".

Notes

- 1 Hucker, *China's Imperial Past*, 296.
- 2 Quoted in Chao, *The Development of Cotton Textile Production in China*, 16.