

3.3 Monetary Studies

1. Monetary Theory

For long periods during the more than three centuries of Jin and the Northern and Southern Dynasties no coins were produced at all. At other times, there was extensive circulation of depreciated currency. At first glance these two phenomena would appear to be inconsistent, but in fact they occurred because at the philosophical level there were several opposed theories clashing with each other. On one side were the bullionists and nominalists; on the other side were the objectivists.

The Chinese bullionists were much like the sixteenth and seventeenth century European bullionists and mercantilists, except that the [275]

Europeans valued gold and silver, while the Chinese valued bronze cash. Both supposed that metal coins were the best form of wealth, and so the greater their quantity the better.

Although the bullionists and nominalists differed, they were alike in their denial that the quantity of money could influence its purchasing power. The bullionists considered a coin's value to reside in its metal content. In other words, the metal itself was an object of value. If the metal was used as money, its value could not change so long as the coin's size was not reduced. This theory had a positive significance because of its opposition to the reduction in weight of the medium of circulation.

If copper cash were to be the main store of value, then this theory would be reasonable, because the money's use as a store of value could produce a moderating effect, keeping the quantity of money from becoming too large or too small. In China, however, copper cash was not the main store of value. Gold and silver were. Particularly after its weight had been reduced, no one would use copper cash as a store of value. Hence the quantity of copper cash in ancient China could, given unchanging demand on the market, influence the money's purchasing power. In the aftermath of a weight reduction, the situation would be still more serious, producing an inflation.

The nominalists considered the value of money to be a legal rather than an economic question. Even if the coinage was lightened, one need only ascribe to it a certain nominal value, and this value would not change. This theory amounted to a legalistic defense of a policy for reducing the weight of the currency.

The objectivists and the nominalists resembled each other in that they both considered coins to have no value, but for this reason the objectivists advo-

cated the abolition of these valueless coins and the use instead of grain and silk, which do have value.

Those who took this position were often also quantity theorists. For the objectivists, value came entirely from the practical, from things which could feed the hungry and clothe the cold. There is an historical background to this point of view. In ancient times exchange was inconvenient. Commodities could not be transported very easily. At times, if there was a famine in one area, no matter how much money was available there, it could not buy food. In addition, the instability of the money itself made some people antipathetic to it. Though objectivism arose under conditions of monetary chaos, it was a backward theory not in accord with the needs of the age.

The above theories each in turn controlled Chinese monetary thought and policy from the last half of the third to the end of the sixth century. The fact that though coins were still used during Jin, they were not minted, was for the most part the result of the influence of objectivists.

To some extent this was also the result of the influence of negative ideas rejecting the world of that time. Such

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ideas were displayed in Ma Rong's "On Life's Importance in the Empire," Bao Jingyan's "On the Lack of a Ruler," and still more so in Lu Bao's "On the Spirit of Coins."

Lu Bao had no particular point to make on monetary theory, but was merely displaying his disgust at the power of money. He perceived the phenomenon of inequality between rich and poor in the society of that time. On the one side there were wasteful rich households like those of Shi Chong and He Ceng. On the other side there were those surrounding them, who depended on their influence.

Hence he said: "Those with more money are placed in front; those with less money stand behind." If one had money, "to danger one can bring repose, to death bring life; to the noble bring low status, to the living cause death."

He did not in any sense advocate the abolition of coins. In fact he even says some nice things about money: "It accumulates like a mountain. It flows like a river. There are times when it may be active. It may flow into storage and be preserved. It may be conveniently exchanged in the market without suffering loss."¹ Hence we cannot view him as an ob-

¹ According to Lu Bao's "On the Spirit of Coins": "The cash is fundamental. It has the form of both male and female: Within it is square. Outside it is round. It accumulates like a mountain. It flows like a river. There are times when it may be active. It

jectivist. The expression "Elder Brother Kong Fang" which he created not only epitomizes his attitude

may flow into storage and be preserved. It may be conveniently exchanged in the market without suffering loss. Difficult to injure, it has long life. Without lack, it is like the Way. Hence it can be immortal, for the ages

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a spirit of treasure. Look upon it as an elder brother. Call it Kong Fang [Literally, "Round Square," a reference to the shape of a coin, but which can also be taken for the name of a member of Confucius's family, the Kongs. EHK]. If you lose it, you are poor and weak. If you gain it, you are prosperous and strong. Without wings, it flies. Without legs, it walks. It displays a solemn countenance. It unloosens a mouth hard to open. Those with more money are placed in front; those with less money stand behind. Those placed in front are the rulers and elders. Those behind are the ministers and servants. The rulers and elders have their coffers overflow, and still have a surplus. Ministers and servants are poor and exhaust their resources, and yet still do not have enough.

"The *Odes* says 'Ah, the rich man. Alas this lonely one.' The reason why a coin is also called 'spring' [*quan*] is because there is no distance it does not go, no gorge into which it does not penetrate. The urban gentry talk themselves to exhaustion, and weary of hearing pure talk. Facing it they sleep. See my elder brother! There are none who do not look upon him with veneration. Those whom Cash helps are lucky, and invariably gain profit. What need is there to study books to afterward gain wealth and noble status? Formerly, Duke Chang delighted in speculation. The founder of Han overcame him at Ying'er. Lord Wen took off his clothes and was given brocades. Sima Xiangru married well, and was rolling in pelf. Official honors and fame are all the result of Cash. Speculation leads to emptiness, so how could one gain substance from it? Though Ying'ers are few, to reach them is closely related [to Cash].

"Looked at this way, it may be said to be a miraculous thing. Without virtue, one is honored. Without power, one flourishes. One pushes the golden gate, and enters the purple door. From danger, one can gain repose; from death, life; the noble can be brought low; the living caused to die. For this reason, you cannot be victorious in a struggle without Cash. You cannot pull out of a narrow strait without Cash. Without Cash you cannot get loose from a grudge. Without cash, your questions go unanswered.

"A scarlet woman in Luoyang, a gentleman on the street, both love our elder brother, all without exception. If he takes one by the hand, embraces one, from beginning to end, no matter how clever one's plans, no matter what one's age, vassals will converge on one's establishment, and one's gate will be like a market. There is a proverb, 'Cash has no ears, yet summons demons.' For everyone these days, Cash is everything. Hence it is said: 'If the army is not bribed, the soldiers will not have arrived. If the army of rewards is bereft, the soldiers will not have left.' If an official is without a middleman, it is best that he

toward money, but also has enriched the Chinese language's store of vocabulary.

During the yuanxing period of Eastern Jin's Emperor An (403), Huan Xuan, while in office, publicly advocated the abolition of coins in favor of grain and silk. Kong Linzhi (369-422) opposed this. Kong made no new contribution to monetary theory, but merely quoted Sima Zhi, who had said that coins not only enriched the state, they could also reduce punishments. His own discourse merely emphasized the explanation that grain and silk ought not to be used as money.²

Nevertheless, though he quoted Sima Zhi, his view of money's nature was not necessarily the same as Sima Zhi's. If indeed Sima Zhi had said that the making of coins could enrich the state, this could be explained two ways: A literal explanation would take money as wealth in itself. To make coins would be to create wealth. This would be a bullionist view. The other explanation is the same as Kong Linzhi's: "According to the Sage King's regulations, commodities without use are employed to circulate useful forms of wealth."³ That is to say, the government employs valueless money to take over objects of value from among the people, and because of this the state is enriched. Kong Linzhi agreed with Sima Zhi only on the one point of restoring the use of coins.

return to the fields. Even if he has one, but lacks our elder brother, it is no different than burying one's wings and wanting to fly, or wanting to walk without legs." (*Jin History*, 94, "The Recluses: Biography of Lu Bao.")

²*Liu-Song History*, 56, "Biography of Kong Linzhi": "The Eight Policies of the 'Great Plan' [chapter of the *Book of Documents*. EHK] takes money as secondary to food. But how can one not use exchange wealth to gain one's needs? If exchange cannot be used, then commoners who work for cash will be hindered from earning a living. One may warn against this. . . If grain and silk are used as treasure, they will be diverted from their primary functions of providing clothing and food. If they are now divided up to make money, the harm caused will be extreme. Moreover, labor's fruits will be destroyed in the hands of merchants, and plows will be abandoned in the midst of the furrow. These abuses are clear from former times. Hence Zhong Yu said people watered grain to seek profit, and thinned out heavy silk to accumulate capital. The Wei regulations punished this severely, but were unable to stop it." [Translation adapted from W. Vissering, *On Chinese Currency*. Leiden: Brill, 1887, pp. 67-68.]

³*Ibid.*: "According to the Sage King's regulations, commodities without use are employed to circulate useful forms of wealth. Then there is no expense from destruction or loss, and the hard work of transportation is reduced. These coins are what was used to replace tortoise and cowry, and down through the

During Liu-Song of the Southern Dynasties, such intellectual clashes became sharper and influenced actual monetary policy. For example, in the time of Emperor Wu, there were people who felt that if the quantity of coins diminished, the state would not have enough, and wanted to have the government buy up all the copper held by the people to use for casting coins,⁴ which, of course, is a bullionist viewpoint.

Fan Tai (355-428) opposed this. He said:

What is now causing distress is that there are still too few people engaged in agriculture; that the granaries are not full; that transport is unsatisfied. Those who use food as capital are numerous. A family without a private accumulation will find it hard to avoid disaster. Not many goods are being traded. That which formerly was expensive, is now cheap, and all kinds of goods have come together in price. They are reckoned

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the same. . . Now articles which must be supplied are destroyed, and because coins are not bestowed, those who supply goods are not requited for their labor. In practice, both Ruler and people are harmed. In reality, those who are harmed are numerous, those who enjoy benefits from this are few. (*Liu-Song History*, 60, "Biography of Fan Tai.")

Apparently Fan Tai was not a pure objectivist. His denial of value to money probably refers to use value, not exchange value. He seems to suppose that money's intrinsic purchasing power is unchanging. What changes is the object of this purchasing power. He denies that the state does not have enough because there are few coins. It lacks goods because production is insufficient.

In yuanjia 24 (447), because the coins were being lightened by illicit coining and clipping, the Prince of Jiangxia, Liu Yigong [the fifth son of Emperor Wu. EHK] offered a proposal to use large coins at a face value of 2. His view may be said to have been a form of nominalism. He supposed that no matter what the weight of a coin, so long as it was given the face value label of 2 by law, its value would be doubled. Shen Yanzhi gave theoretical support to this proposal. He said:

Tortoise and cowry circulated during high antiquity. Round coins and knives rose from the time of Zhou. All were used

ages have not been abolished."

⁴*Liu-Song History*, 60, "Biography of Fan Tai": "At the time, many who discussed affairs supposed that if the coinage diminished, the state would not have enough for its use. They wished to entirely buy up the people's copper to make still more of the Five-grainers."

to accumulate wealth, to transmit profit, to fulfill the needs of the state and enrich the people. . . If large coins are used at double value, then it will be a reality [treasure?] which the state's tradition will find it hard to undermine [destroy?] and families will win a twofold profit. Do not wait to add laws. Make the fundamental decision. Issue one order, and the masses will be beautifully united. . ." (*Liu-Song History*, 66, "Biography of He Shangzhi.")

He Shangzhi opposed this position. He said:

The rise of round coins and cowry was based on their value as commodities, and what they would actually exchange for. How could their quantity be falsely increased? If the quantity was less, then wealth was lightly demanded. If the quantity was greater, then goods were heavily demanded [or: abuses were light. Peng]. Though the quantities differed, there was no difference in practice [i.e. in real prices. EHK]. So if one is used to stand for two, would this not be to vainly worship an empty price?" (*Liu-Song History*, 66, "Biography of He Shangzhi.")

His position was basically close to that of Fan Tai, but he had gone a step further. Fan Tai had supposed that the quantity of money did not influence its value. He Shangzhi was a quantity theorist. He recognized that an increased quantity of money would cause prices to rise. Fan Tai used the irrelevance of the quantity of money as the reason for opposing increased minting. He Shangzhi took the bad effects of an increase in the quantity of money as the reason for opposing the increase.

This statement of his was linked to money's two most important functions. His remark that it "was based on their value as commodities" refers to its function as a measure of value. His reference to what it "would actually exchange for" would seem to refer to its function as an instrument for purchase or intermediary of exchange.

The conflict between the objectivists and bullionists became exacerbated during the time of Emperor Xiaowu. Zhou Lang advocated the abolition of metal coins. He said:

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Agriculture and sericulture are in fact the destiny of the people and the basis of the state. If one of these is insufficient, then the proper ceremonials will not flourish. If they are to be emphasized, then metal coins should be abolished, and grain and silk should be used for rewards and salaries. . . . Everywhere from the Huai north, 10,000 bolts should be the market denomination. From the Yangtze south, 1,000 *hu* should be the commodity unit. . ." (*Liu-Song History*, 82, "Biography of Zhou Lang.")

Nevertheless, at that time the doctrines of the

bullionists occupied a superior position. By xiaojian 3 (456), clipping of coins was causing the copper cash to become thinner and smaller by the day. The Right Executive of the Secretariat, Xu Yuan, put forth an argument in favor of bullionism. He said:

That expensive money profits the people was first recorded in the Five Rules of Government. They began to cast the round coins, and by law made the Nine Treasuries. The people were enriched, the state realized its aims, and the teachings were established brilliantly. . . . As the years stretched on, loss and disorder were frequent. Flood and fire, clipping and destruction occurred. Daily and monthly there was melting down and destruction. The coins grew thin and the people impoverished. Public and private were both in difficulties. If there is not a reconstruction, there will be great impoverishment. I say we must follow the ancient statutes, take in copper, and cast it well. Erase punishments for those who pay fines. This is all recorded in past regulations. Now we ought to use copper to buy off punishments, with the amount to vary in accord with the crime. (*Liu-Song History*, 75, "Biography of Yan Jun.") [Translation somewhat adapted from W. Vissering, *On Chinese Currency* (Leiden: Brill, 1877), p. 73.]

What he opposed was reduction in weight, supposing that if only coins could be kept up to a standard, there would be no problem. On that occasion the government accepted his advice to cast coins, but later illicit coining and clipping again reduced their weight, and the alloy was adulterated with lead and tin, thereby causing a great fall in the value of coins.

At that point Shen Qingzhi (386-465) brought forth another bullionist theory:

Formerly, the Qin coins were too heavy. Han Emperor Gaozu, suffering from this, sent out a general order for the people to mint them. They were recast into Pod-cash. But then money was lightly demanded and goods heavily demanded. This again spoiled things. Taizong allowed free coinage. Jia Yi criticized this. The mountains [he said] were fully exploited, there was much copper, and profit was heavy. The people all around were competing to manufacture the agricultural tools and weapons which were used in former times, and there would perhaps be great harm from this. Emperor Wen did not, however, accept this advice, and coins made by the people circulated. Hence it was possible for strings of useless cash to fill the treasuries, and the Empire became wealthy.

Now plows and weapons are not used. Minting of coins has long since been abolished. Metal from melted down coins has mostly been made into implements. Achieving merit is difficult, and profit is thin. The wealth of Wu and Deng [two Han principalities which produced many coins] is gone. Farmers are not accustomed to their tasks, but are not

relieved from the suffering of the plow. Now there is a dynastic revival . . . but yet the granaries and treasuries are not full. The reason both public and private are in want is solely a matter of coins.

I venture to suggest we ought to let the people cast coins. Coin bureaus should be opened in the commanderies and districts. Allow households which wish to cast coins to reside within these bureaus. The miscellany of styles would be homogenized. The various counterfeits would all be removed. The officials would collect and wall these off, storing them as an eternal treasure. . . ." (*Liu-Song History*, "Biography of Yan Jun.")

Shen Qingzhi devotes himself entirely to a defense of the early Han policy of free coinage. Though his free coinage scheme has restrictions, it approaches modern standards for free coinage in that it calls for maintaining standards and the collection of expenses, but he supposes that the more coins that are made the better it would be, because "if casting coins is forbidden, copper will be turned into implements, and if minting is inaugurated, implements will be melted down into wealth." This would suggest that using copper to cast tools was a kind of waste, and that coins were the only valuable objects.

He did not realize that what created wealth and low prices at the time of Emperor Wen of Western Han was that production was increasing, while feudal coins were not being issued. It was not because [279] there were many coins in the treasuries, but because there were few coins in the markets.

The view of the Prince of Jiangxia, Liu Yigong, was completely contradictory to that of Shen Qingzhi. He rebuts Shen Qingzhi point by point, but he reaches no independent conclusions.

Yan Jun was in basic agreement with Shen Qingzhi's proposal to open offices for casting coins, but did not approve of using all the copper for that purpose, and leaving no copper for the manufacture of implements. He said:

I truly agree with the plan presently being discussed for opening offices for free coinage, but worry that mining will be halted for everyday implements. Copper would then be lessened in supply, and implements would become very expensive. Should implements go to a price of 1,000, then coins would be reduced by half, and making them would be without profit. Even though free coinage was ordered, it would not be done. ("Biography of Yan Jun.")

He seems to have recognized that a reduction in the weight of the copper coins would be sufficient to stimulate some degree of rise in prices. He opposed Shen Qingzhi's proposal to permit temporary circulation of the light coins banned the previous year,

because such light coins would be certain to induce private coining, causing such large coins as the Five-grainer and Half-ouncer to be withdrawn from circulation. Nor would the government be able to increase taxes because it permitted light coins to remain in circulation, and so this could not resolve the government's fiscal difficulties. He said:

If small things must circulate, and a policy not in accord with public coinage is adopted, big profits will be made, and there will be no limits to dishonesty. Private minting and coin clipping cannot be banned by laws. The Five-grainers and Half-ouncers will all be used up within a year. If wealth is not supplied, the large coins will have been exhausted. . . Now, if the small coins are allowed to circulate, the officials will gain no benefit from taxation. Even if the masses supply the revenues, the officials' poverty will not be relieved. ("Biography of Yan Jun.")

Some people at that time advised casting Two-grainers, an obvious reduction in weight, which he also opposed. He raised three objections to this:

It will not relieve the poverty of the officials, but great evils will arise among the people. The goods of the empire will crumble away. To set up a stern prohibition in vain will make it hard to avoid deep profits. In just a year or two the corruption will be beyond redemption. This is one grave objection.

Now each time copper is smelted down and cast, a net profit of 100-200,000 is obtained. Even if double this is obtained, this cannot happen before the end of the next year. If taxes rise in coin, expenses for daily needs will be cut off and not supplied for several months. Though there be authority to collect aid, how can this relieve the government's poverty? This will allow evil people to give free rein to their mistaken schemes. This is a second grave objection.

The people warn against a change in the large coins. All fear an approaching new prohibition. This is bound to give rise to unrest on the markets. Before a distant profit has arrived, suffering and wickedness will have come. Rich merchants will gain their ambitions. Poor people will be enmeshed in afflictions. This is a third grave objection. ("Biography of Yan Jun.")

Though these men fought over methods, they were all essentially bullionists. They supposed that money was wealth. Shen Qingzhi expounded this position clearly, and neither Liu Yigong nor Yan Jun contradicted him. Yan Jun even acknowledged that restoration of light coins was because of a "desire to cause the Empire to have abundant wealth."

During Southern Qi times, Kong Ji sent up an "Argument for Casting Coins to Equalize the Currency." He advocated casting Five-grainers which

were up to the standard weight.⁵

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This was a time of contraction in the medium of circulation, and the quantity of money in circulation was inadequate. He said:

Within the borders of the three Wu states, there are floods year after year, but the price of grain does not rise. This is because the coins of the Empire are few, and not because grain is abundant and cheap. This cannot but be observed. (*Southern Qi History*, 37, "Biography of Liu Jun.")

He opposed the nominalists, saying "those who deprecate copper and love labor say that coins are useless implements used for exchange, and wish to make them lighter and more numerous so as to economize labor and ease its accomplishments. They do not consider in detail the trouble which would come from this."

Shen Yue (441-513) of the Liang Dynasty also discussed monetary questions. To begin with, he acknowledged that food and money were both important. He said: "Those things which a man accumulates during his life are called food and commodities. Commodities are used as circulatory

⁵*Southern Qi History*, 37, "Biography of Liu Jun": "In jian-yuan 4 [482], at the request of the court, Kong Ji submitted 'An Argument for Casting Coins to Equalize the Currency.' It was extremely broad in scope. In essence it stated . . . From the casting of the Han Five-grainer to Emperor Wen of Song was over 500 years. Systems had fallen and risen generation by generation, but the Five-grainer had not been changed. It is clear that its weight by law was in accord with what was correct for obtaining goods. I feel we ought to open mints, direct contributions in metal, and engage in smelting and minting on a large scale.

"A coin weighing 5 grains is in accord with the Han laws. The treasuries will be full. There will be reserves for the state's use. If salaries are limited and taxes are low, then the people's families will have enough. Recently those who have been engaged in illicit minting of new coins have all been engaged in clipping coins, and do not mint large coins. . . Those who sell grain all lose their goods vainly. Illicit coiners buy new coins still more cheaply. . . If the officials mint and spread coins among the people, this will stop the clipped coins, the small and light and broken and rimless coins from circulating. Official coins which are small will be weighed against the official grains and ounces, and melted down to make large ones. They will profit the poor and virtuous people and close off fraudulent roads for the wicked.

"When the coinage has been equalized, distant and near places will be treated uniformly. The masses will be happy in their employments. The markets and roads will be without conflict. Clothing and food will be abundantly produced." [Translation adapted from Vissering, *op. cit.*, pp. 80-81.]

money. Food is man's Heaven." He was merely recognizing reality, but seems not to have approved of this state of affairs. He believed that the growth in the circulation of commodities was derived from human desires. In ancient times human desires were few, and so the production of commodities was for the producers' own consumption or for saving, and since goods were not exchanged, money had no great use.

Later, commerce developed. Farmers left the fields to follow trade. Wealth was produced not for consumption but to be sold for money, to be exchanged for precious and rare articles. This then began to influence agriculture. "Though coins be a foot in length, they did not relieve hunger even in the years of Yao. . . . Though the treasuries be full of rotting strings of cash, the granaries may not be full. A household may store up money, and yet develop few good fields."

Therefore he advocated the abolition of money and sole reliance on grain and silk. He argued, "If a thousand bolts are used as the monetary unit, abuses will be difficult to commit. If 10,000 *hu* is used as the market unit, it will not be easy for it to go beyond the township. This will cause those engaged in secondary occupations to restrain themselves, and bring wandering foodstuffs back to where they belong."⁶ He appears to have believed that the flaw in

money lies in its easy portability, which gives rise to a number of malpractices. In this respect he was carrying on the teachings of Chao Cuo.

There were also debates on money during Northern Wei. These were initiated by the two brothers Gao Qianzhi and Gao Gongzhi. Before the minting of the Yong'an Five-grainer, Gao Qianzhi called for minting small coins. He felt that this could lead to increased prosperity.⁷ This was a nominalist idea.

His brother, Gongzhi, advocated minting large coins, because small coins would evoke private coining and price increases.⁸

In his call for the casting of Three-grainer coins, Gao Qianzhi discussed the origins of money, saying "The establishment of coin money was for the sake of bringing surpluses and scarcities into contact, to make exchange convenient." This might make his position seem different from that of most nominalists, but he probably meant by "establishment" the establishment of money by the ruler or by law.

2. The Birth of Numismatics

The practice of writing history flourished during the several centuries from Jin to Sui, but unfortunately the majority of those works have since been lost. Among the surviving histories, aside from the one in Wei Shou's (506-572) *Wei History*, there are no other treatises on economics. A partial explanation for this is that during these centuries the monetary systems were in great disorder, and most historians could not make sense of them. The main rea-

⁶*Universal Statutes*, "Food and Money, 8," quotes Shen Yue: "Those things which a man accumulates during his life are called food and commodities. Commodities are used as circulatory money. Food is man's Heaven. . . . Formerly, pure-minded men were not poor. Their tastes were few and thin. That which they received to maintain themselves varied according to circumstances. An individual plowman thus had enough to live decently. If a housewife was diligent in her weaving, then her family would be clothed. Though there was trading on the road, exchange of goods was rare. Increase in the supply of tortoise and cowry was cheapened by meritorious works."

"But circumstances changed, and many evil practices arose. Labor was confused and made harsh. Men left their old haunts and followed the career of merchant. Merchants and artisans became lax. Secondary occupations spread and saturated life broadly. Goods which circulated did not return as their makers had intended. Thereupon, men competed to obtain rarely encountered goods. From afar nameless goods were stored up. Brilliant gems and feathers, though without legs, rode quickly. Elaborately carved rhinoceros horn flew without waiting for wings. [282]

The Empire was in an uproar, and all abandoned the fundamental activities to carry on business. The harvest of abundant years was equivalent to the harvests of many years together. Famines reduced the stores of agricultural families.

"Though coins were over a foot in length, they did not

relieve hunger even in the years of Yao. Though cowries were piled as high as mountains, belief in them will not relieve thirst even in times like those of the Shang-founder Tang. To believe otherwise is a serious error.

"Hence we ought to immediately abolish coins as money, and solely rely on grain and silk so as to make people understand that labor is the sole way to earn a livelihood. Without this there is no other solution. If a thousand bolts are used as the monetary unit, abuses will be difficult to commit. If 10,000 *hu* is used as the market unit, it will not be easy for it to go beyond the township. This will cause those engaged in secondary occupations to restrain themselves, and bring wandering foodstuff back to where it belongs. Over the course of time human affairs prosper and decay. Even if the treasuries are full of rotted strings of cash, the granaries may not be full. A household may store up money, and yet may develop few good fields. . . ."

⁷*Wei History*, 77, "Biography of Gao Chong." Cf. subsection 3.2.4, note 7, of the present work.

⁸*Wei History*, 77, "Biography of Gao Gongzhi."

son, however, is that historians were still not sufficiently impressed with the importance of monetary questions. The other histories could, however, have had economics treatises which have not survived.

Of course there might be other reasons for such lacunae. For example, when Fan Hua was writing the *Former Han History*, he had not yet reached the treatise sections when he was executed by Liu Yilong (Emperor Wen of Song). This has caused a number of difficulties for later students of monetary history, and has left a great void in the store of historical materials dealing with Chinese money.

This makes Wei Shou's *Wei History* unique among the histories of that time. The *Wei History*'s "Treatise on Food and Money" lies within the economic history genre. It is divided by topic, with the last 1,590 characters devoted solely to the monetary history of Northern and Eastern Wei. On the surface, monetary history would appear to have been separated out from other economic questions, but in fact this is not the case, because questions concerning the garrison fields, herding, land taxes, weaving, mining and smelting, marketing and salt policy had already been dealt with in earlier sections. It would have been repetitive to weave them in again into monetary history.

Gaps in the monetary history of this period can to some extent be filled in by the contributions of the newly born discipline of numismatics.

Coins emerged at about the same time in China and in Greece, but coin collecting and the science of the study of coins --i.e. numismatics-- appeared first in China. Numismatics is the study of the shape, manufacture of, inscriptions and images on coins.

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Chinese coins only have inscriptions. They lack images. A section of the *Historical Records* "Treatise on the Balanced Standard" deals with coins, but cannot be characterized as numismatics, because Sima Qian did not study the coins themselves. The significance of numismatics in economic terms is that it is linked to the study of money. In cultural terms, it is acknowledged to be a part of archeology.

Actually it concerns itself with the modern as well as the ancient. Hence when modern man calls numismatics the study of ancient coins, he is, strictly speaking, not accurate. Of course, over the long run of a country's history, ancient coins bulk ever larger among all a country's coins, and so to call numismatics the study of ancient coins is no great error.

Numismatics appeared earlier in China than the study of bronze and stone inscriptions, but later on was subsumed within that discipline [akin to the West's paleography. EHK]. To study monetary history it is clearly necessary to study numismatics as

well, and indeed monetary history should include information from numismatics. It is for just this reason that monetary history is not entirely subsumed within economic history. In other words, economic history is unable to embrace all of monetary history. Monetary history has its independent aspects. With one leg it stands within the realm of economic history; with the other it stands within the territory of cultural history.

Numismatics was a new science in China during the fourth century. In Europe it was not until a thousand years later that people came to consider it legitimate to collect and study coins. Thereafter this branch of science gradually took on importance there because it contributed important materials to the study of the history of fiscal policy, economics, epigraphy, the fine arts, mythology, religion, popular customs, geography and systems of measures. There are countries, like ancient Bactria and Ferghana's Kushan (Yuezhi) Dynasty, for an outline of whose history we depend entirely on their surviving coins, because of the absence of any documentary sources. For some other countries, like ancient Carthage, aside from coins, hardly any other things survive.

For China, however, numismatics has a different significance. Coins are not required to explain or provide lists of Chinese monarchs. Chinese rulers have always regarded history as important, and particularly for their own histories, have provided an abundance of written records. Coins can still serve, however, to correct the many errors in the documentary sources. Numismatics' function in China lies in both the economic and cultural spheres. It can help us understand the economic life of the people during each period, and its subject matter in large measure is a reflection of the development of Chinese culture.

There are certain prerequisites for the appearance of numismatics. One of these is that the coins of the time in question be capable of evoking interest, so that an interest in collecting them and studying the subject arises. China's Warring States period

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coins and ancient Greece's coins fulfill this prerequisite, and yet numismatics did not appear during those times.

This is because though numismatics embraces the coins of all epochs, including coins still in circulation, its chief interest is in coins which are no longer in circulation. The Chinese of the Warring States period and the ancient Greeks only treated coins as instruments for making purchases, and not as specimens to be kept for study.

Coins existed in an extraordinarily large number of varieties in Northern and Southern Dynasties

China. Coins produced ever since Three Kingdoms times could still be seen much later. There were large and small coins, public and private coins, southern and northern coins, ancient and modern coins, male and female coins, coins which were in circulation and coins not in circulation, coins in formal use and token charm coins, all of which easily evoked people's curiosity.

Coin collecting was perhaps already being practiced within the ruling class. For example, the Palace Vestment Repositories of the Southern Dynasties seem to have had collections of various sorts of coins. Private citizens eventually imitated this practice.

It may seem hard to understand why numismatics should have appeared at a time when most historians were not writing treatises on economics. Actually, this is easy to explain. The money of this period circulated in a very complex fashion which most historians could not clearly understand. No one who had not specialized in such problems could handle them adequately.

The earliest work to deal with coins was *Mr. Liu's Record of Coins*. We do not know who this Mr. Liu was, nor when he lived. It could have been no later than the Xiao-Liang, because Gu Xuan, who lived during Xiao-Liang, quotes him. The *Sui History* "Treatise on Classical Books" refers to a *Liu Can's Coin Illustrations Notes*, and this may be the same as the *Mr. Liu's Record of Coins* referred to by Gu Xuan. Liu Can (484-550) lived during the Qi and Liang periods.

Gu Xuan only cited four coins from Liu: a Two-grainer, a Star-moon coin, a Four-five coin and an Eight-star coin. Except for the Two-grainer, none were coins in formal use. We cannot conclude from this that all of the coins recorded in *Mr. Liu's Record of Coins* were either made for display or were charms, but we have no basis for giving this work a higher evaluation.

The second work dealing with coins was *Gu Xuan's Coin Catalog*. This book is also cited in the *Sui History* "Treatise on Classical Books," which says that it had one scroll of coin listings and one of coin illustrations. Both have since been lost. Hong Zun of Southern Song very much emphasizes the importance of this work, saying that ancient coins "as the years went on, were for the most part buried and lost. Gu Xuan of the Liang was the first to make them into a book. All coins, from the time when they were first made, large and small, heavy and light, had their classifications, so that those who came after could have an idea of how they looked." These few phrases not only sketch out the main contents of *Gu Xuan's Coin Catalog*, they treat it as China's first numismatic work.

As Hong Zun had seen *Mr. Liu's Record of Coins* and *Gu Xuan's Coin Catalog* (since he quotes from both), and in the preface of his *Record of Coins* [285]

only emphasizes the importance of *Gu Xuan's Coin Catalog*, and does not devote a word to *Mr. Liu's Record of Coins*, this perhaps shows clearly that the latter work was not worthy of being quoted.

The *Record of Coins* cites thirty-four coins from *Gu Xuan's Coin Catalog*, ranging from the Yi (or Treasure) money to Xiao-Liang's coins, with most coming from or circulating during Xiao-Liang. Among those recorded are the Tianjian Five-grainer, the Public-female cash, a Five-grain iron cash, the Great-auspicious Five-grainer, the Great-circulation Five-grainer, the Great-fortune Five-grainer, the Female-cash, the Immature-cash, Facing-wen, Five-grainer (without metal signific), Dingping-one-hundred, Taiping-hundred-cash, Tortoise-back cash and wave-pattern cash. Most of these were formally circulated coins, and a goodly number were in circulation during Gu Xuan's lifetime. In this respect, Gu had made a valuable contribution.

At that time it was probably not yet known how to distinguish coins by type. The author merely set out what he had seen and heard. He did understand the importance of noting a coin's size and weight, and there are the beginnings of discussion of variant forms. For example, he cites seven or eight variant forms of the Taiping-hundred-cash, and the attached drawings of the coins closely resembled the actual coins.¹

However, for the Great-auspicious, Great-circulation and Great-fortune coins he had only seen clay molds rather than the coins themselves. There were other errors, as for example taking the Hanxing for the Pod-cash referred to by Ban Gu, and the Summons-form Five-grainer for a coin of Liu Bei's. These errors influenced later historians and numismatists, and for more than a thousand years went uncorrected.

Numismatics has special importance for those who study monetary history. It does not amount merely to some fragmentary opinions on monetary theory, but rather is a written account of the study of coins. Nor is it like the treatises on economics in most official histories, which are based merely on copying out material from government files with some slight revision. Rather it is based on the study of the coins themselves. It fills the gaps in general histories, and corrects their errors.

¹*Record of Coins*, caption below the item "Tortoise-back cash."

For example, different works give different sizes for the Immature-cash. Du You's *Universal Statutes* says it is 1.5 *fen* across. The *Book Hall of the Original Tortoise* says it is 1.5 *cun*, while *Gu Xuan's Coin Catalog* makes it 8.5 *fen*. Of course Gu Xuan's statement is the more reliable, because it is based on study of the actual object.