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4.2 MONEY'S PURCHASING POWER

1. High Tang Money's Purchasing Power

The monetary economy was relatively weak during the 290 years of the Tang Dynasty, particularly during its first century prior to kaiyuan and tianbao, when the natural economy bulked extremely large. In terms of money's purchasing power, the period from early kaiyuan [713] to the An-Shi disorders of the 750s was a time of low prices. At home there was profound peace, with successive years of abundant harvests, one of the rare ages of prosperity in Chinese history. A period of high prices got under way after the An-Shi disorders. From zhenyuan [785] on, though there was a temporary contraction, prices remained higher than they had been during high Tang.

In [721], the fourth year after the new dynasty had set up its own year period, it abolished the Five-grainer, which had been used for some seven or eight centuries, and changed over to the new Inaugural Circulating Treasure so as to reunify the chaotic monetary system which had evolved since the fall of Han, and to stabilize the value of the coinage, which had been oscillating since the end of Sui.

This measure was very successful. Though food prices remained high during the first few years, that was because of the continued warfare. There were few peasants, fields were left to grow wild, and so the supply of grain was insufficient. Even calculated in terms of heavy silk, the price of rice was very high.¹

Later, with the restoration of peace and normal production, there appeared what was called the "good government of the zhenguan period." Horses and oxen were allowed to run wild, and both people and goods were at ease. Such prosperity was perhaps normal in the aftermath of great disorder. The warfare at the end of the Sui had greatly diminished the size of the population, and after the restoration of

peacetime production, seeking a livelihood had become easier for the survivors.

At that time the value of money was very high. In zhenguan 3 and 4 (629), a picul of rice cost 30-40 cash,² and there had been successive years of good harvests. In zhenguan 8 and 9, a picul cost 40-50 cash. In zhenguan 15, a picul was 20 cash.³ The national average price in zhenguan 16 was 5 cash per *dou*, and the price fell as low as 3 cash in the cheapest localities.⁴

As for textiles, at the beginning of Tang, they were much used as the basis for calculating prices. Just after Taizong assumed the throne, because the price of rice was still high, a bolt of heavy silk only exchanged for 1 *dou* of rice. Later, when the price of rice fell during the several years after zhenguan 5 and 6 [631-632], a bolt of heavy silk could exchange for more than 10 piculs of grain.⁵

Near the end of Taizong's reign, soldiers were more frequently used abroad, and by Gaozong's time, the situation had become still more complex. Uninterrupted warfare caused the people's

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²Outline of the Administration of Zhenguan, 1: "By zhenguan 3, the harvest in the region within the passes was abundant. . . Horses and oxen were distributed into the wild areas, and the outer gates were not shut. Owing to the successive excellent harvests, a *dou* of rice was 3 or 4 cash." *New Tang History*, 97, "Biography of Wei Zheng": "In the fourth year after the Emperor ascended the throne, . . . a *dou* of rice was 3 cash." *Five Dynasties Collected Statutes*, 25, "Taxation": "The Empire enjoyed the Great Peace. Grain was worth 2 cash."

³Universal Statutes, 7: "From zhenguan on, Emperor Taizong exerted the full force of his rationality. By zhenguan 8 and 9, there had been year after year of abundant harvests. A *dou* of rice was 4-5 cash, horses and oxen had been distributed into the wilds, and outer gates would remain unclosed for several months at a time. By zhenguan 15, a *dou* of rice was worth 2 cash."

⁴Outline of the Administration of Zhenguan, 8, "Duties of Agriculture," 30, article 2: "In zhenguan 16, Emperor Taizong calculated that for the whole Empire, a *dou* was worth 5 cash, and in especially cheap places, it was worth 3 cash."

⁵Old Tang History, 74, "Biography of Ma Zhou." In zhenyuan 11, he sent up another communication: "Previously, at the beginning of zhenguan, when the harvests were blighted by frosts and hence meager, 1 bolt of heavy silk only obtained 1 *dou* of rice. Then the Empire was made docile. . . Since zhenyuan 5 and 6, there have been abundant harvests year after year, and a bolt of heavy silk fetches over 10 piculs of grain. The masses . . . rarely have any resentment to express." *Outline of the Administration of Zhenguan*, 1: "When Emperor Taizong first ascended the throne, there were frosts and drought, and the price of grain shot up. . . One bolt of heavy silk only fetched 1 *dou* of rice."

¹New Tang History, 51, "Treatise on Food and Money": "At the beginning of zhenguan, there were fewer than 3 million households, and a bolt of heavy silk exchanged for a *dou* of rice. By zhenguan 4, rice

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was down to 5 cash per *dou*, and it had been several months since the outer gates had been shut. Horses and oxen had gone wild. A man could travel a thousand *li* and not lack for food. People and goods were all at ease. Some 1.2 million of the outer barbarians had submitted. In that year some 29 persons suffered capital punishment in the entire empire. It was being called the Great Peace."

burdens to become heavier, and as a consequence private coining flourished. This in turn forced a reduction in the weight of coins. Otherwise the coiners could not have hoped to make a profit. Hence a large volume of bad coins came into circulation.

Nevertheless, right down to Emperor Gaozong's *linde* era [664-666], in general the purchasing power of coins remained high. Whenever there was a very good harvest, rice could fall to as low as 50 cash per picul. For example, in *yonghui* 5 [654], the price of unhusked rice in Luozhou was 25 cash a picul; for non-glutinous rice it was 110 cash.⁶ In *linde* 2 and 3, rice fell to 50 cash a picul.⁷

Bad coins were a troublesome problem from the time of Gaozong to that of Xuanzong. In *xianqing* 5 (660), 9th month, the government ordered all local authorities to buy up bad coins, using one good coin to buy up five bad ones, but because this set the price of bad coins too low, they were hoarded rather than turned in. And so in the 10th month the authorities changed the exchange rate to one good coin for two bad ones. Nevertheless, the problem of bad coins was not resolved.

There was a slight depreciation of the domestic money supply during the reign of Gaozong. This was the result of the 10-cash *Qianfeng* Spring-treasure issued in *qianfeng* 1 (666). By the following year all the old coins had disappeared, prices shot up, and commerce was stymied. As a consequence there was no choice but to abolish the 10-cash coin, and return to the *Inaugural*. But even though this was done, private coining was not halted.

Floods, droughts and successive years of warfare followed, and so by *yifeng* 4 (679) prices were still very high, and the burden on the people could not have been light. In *yongchun* 1 (682), there were heavy rains in the capital districts, and a famine, causing rice to jump to 400 cash per *dou*.⁸

On several occasions Gaozong contemplated banning the use of bad coins. In *yifeng* 4 rice was used to gather in coins, with 1 *dou* of coarse rice exchanging for 100 bad coins. The bad coins collected were melted down by the Imperial Workshops and Court of Agricultural Supervision, and those whose weight matched the regulations were put back into circulation. The price of grain then gradually increased, and people said it was because of the increased number of coins minted.⁹

Empress Wu Zetian put model coins on display

in the markets of Chang'an to serve as standards for coins in circulation, but Chinese standard coins have never been very uniform in size, and there was no serious distinction made between good and bad coins. Therefore they finally only banned coins heavily adulterated with iron or tin, and those with exceptionally large holes. All others were permitted to remain in circulation.

This caused illegal private coining to become still more severe a problem. By Emperor Xuanzong's *xiantian* 1 (712), the capital was still troubled by the problem of bad coins, and prices were still high. At the beginning of *kaiyuan*, the situation improved somewhat. Prices fell, but later the situation again worsened. In addition to coins from the official furnaces, there were also several dozen kinds of what were called auxiliary furnace coins. Most were privately minted in the region between the Yangtze and the Huai, and it was said that it took seven or eight of them to match one coin from the official furnaces.

The harm caused by illegal coining was first, that it caused reductions in the weight of coins; second that it put increased quantities of money into circulation. Both of these evoked

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price increases, particularly in times of war.

There are, however, limits to the degree of weight reduction which is possible. Standard *Inaugural* coins weighed 6 catties 4 ounces per thousand. The most severely lightened *Goose-eye*, iron and tin coins, old coins, and *Brim-ring* cash still weighed 3 or 4 catties per thousand. Bad coins could not be used exclusively. They had to be mixed in with good ones, and so prices could not have gone up as much as five fold. Reckoned in good coins, prices should not have gone up at all.

Actually, one natural disaster could have a greater influence over prices than many years of bad coins. For example, in the Summer of *yongchun* 1 (682), ten successive days of heavy rains caused flooding of the Luo River, and the price of rice in that region shot up to 200-300 cash per *dou*, while the price of plain cloth was only 100 cash per length. During Tang there was no particular need for there to be an increase in the quantity of money in circulation. After the end of military activity, domestic production increased, and the burden of taxation on the people was lightened, and so private coining could have been reduced. This is what happened during the *kaiyuan* period.

The histories record that at the beginning of *kaiyuan* rice fell to 3 cash per *dou*.¹⁰ Before and after

⁶ *Comprehensive Mirror*, 199.

⁷ *Comprehensive Mirror*, 201. *Universal Statutes*, 7.

⁸ *Universal Statutes*, "Food and Money, 7."

⁹ *Universal Statutes*, "Food and Money, 10."

¹⁰ *Grove of Tang Words*, 3, "The Naturally Intelligent": "At

kaiyuan 13 (725), because of successive years of abundant harvests, rice sold for 13 cash a *dou* in the Eastern Capital, and during the growing season grain was 5 cash a *dou*. Afterward, the cost of rice in the two capitals was generally less than 20 cash per *dou*, wheat flour [?] was 32 cash, and a bolt of heavy silk was 210 cash.¹¹ In zhenguan 16 and 25 the authorities remained afraid that the cheapness of grain would harm agriculture.¹² In zhenguan 28, because "for successive years the harvest has been excellent, a *hu* of rice in the capital districts is less than 200. The Empire is again at peace, and though one travels 10,000 *li*, one need not raise one's sword."¹³ Fear was again expressed in tianbao 4 (745) that the cheapness of wheat would harm agriculture.¹⁴

This was the second age of abundance during Tang, the time which Du Fu had characterized as when "paddy rice flowed richly, and unhusked rice whitened, so that public and private granaries were all filled."¹⁵

the beginning of kaiyuan . . . there were abundant harvests on all sides . . . and rice was 3 cash per *dou*." *Book Hall of the Original Tortoise*, 502, kaiyuan 2, 9th month, edict: "This year the harvests are quite good in the prefectures of the Empire, and the price of grain is everywhere low. We must ponder the harm to agriculture. . ."

¹¹*Universal Statutes*, 7: "In the 13th year the *feng* ceremony was carried out on Mount Tai, and rice reached 13 cash per *dou*. In the growing season a *dou* of grain reached 5 cash. Thereafter there were no expensive goods in the Empire. In the two capitals, grain was less than 20 cash, wheat flour [?] was 32 cash, and a bolt of heavy silk was 210 cash."

¹²*Book Hall of the Original Tortoise*, 502, kaiyuan 16, 9th month, edict: "We have heard that in the prefectures of the Empire this year's harvests have generally been good, and because grain has become cheap, there must be fear about harm to agriculture." There is also an order of zhenguan 25, 9th month, day weizi: "This year the Autumn sprouts are abundant near and far. As grain is now cheap, agriculture must be severely harmed."

¹³*Old Tang History*, 9, "Annals of Emperor Xuanzong," latter part.

¹⁴*Book Hall of the Original Tortoise*, 502, tianbao 4, 5th month, edict: "We have heard that collections of wheat this year have been twice those of normal years, and that this abundance has cheapened the grain, so that there is concern over harm to agriculture."

¹⁵Du Fu, ode "Recalling Bygone Days":

Recalling the bygone days of kaiyuan's universal prosperity,
A small town still held 10,000 families' houses.
Paddy rice flowed richly and unhusked rice whitened,
Public and private granaries were full.

Private coining decreased at the beginning of tianbao [742], and coins were kept intact. There was prosperity everywhere. A *dou* of rice was 13 cash. During the growing season, a *dou* was only 3 cash. Heavy silk cost only 200 per bolt.¹⁶

In tianbao 11 [752], the government used several hundred thousand strings of good coins to gather in private coins, and as merchants opposed this as inconvenient, it is obvious that production and trade were in such a flourishing state then that the demand for money was great.

The quantity of coins minted then was also greatly increased. Prior to kaiyuan, the quantity minted by government furnaces only averaged 100,000 strings annually. This amount was increased during kaiyuan, but it was not until tianbao that there was a great increase in activity of the mints, and even peasants were enlisted to mint coins. There were then altogether 99 mints in the entire country, and they turned out 327,000 strings per annum.¹⁷

Records of rice prices from the high Tang period are practically all reports from times when harvests were especially good, and so we cannot tell what the normal price was. The texts state that a picul ran from 30 to over 100 cash. The *Universal Statutes* clearly states that within three years of the beginning of kaiyuan there were no expensive goods in the empire, with a *dou* of rice in the two capitals being less than 20 cash. Thus, if we take 200 cash [336]

per picul as the normal rate for rice during kaiyuan and tianbao, we are probably not too far off.

This would make a hectoliter 336 cash,¹⁸ this being higher than the level during the reign of Western Han Emperor Xuan, but lower than the level under Emperor Yuan. The price of gold then was 100,000 cash per catty, and a hectoliter of rice was worth 2 grams of gold, less than half the price under Western Han Emperor Xuan. If the gold-silver ratio was 1:5, then a hectoliter of rice was worth 10 grams of silver.

At that time (seventh and eighth centuries) in Europe, the price of wheat was 15.8 or 15.9 grams

No wolf or tiger on the roads of the Nine Provinces,

One needed not pick an auspicious day to set out on a long journey.

Mourning clothes and mottled carts,

Men plowing and women rearing silkworms all without loss.

¹⁶*New Tang History*, 51, "Treatise on Food and Money."

¹⁷The accounts in various works differ. The actual amount must have been between 326,000 and 327,000 strings.

¹⁸During Tang, 1 picul was equal to 0.5944 hectoliters; and 1 ounce was equal to 37.30 grams. Cf. Wu Chengluo, *History of Chinese Weight Measures*.

of silver per hectoliter, which was rather higher than the Chinese price. Commuted into gold, the price was around 1.06 grams of gold per hectoliter. This was only half the Chinese price for rice.¹⁹ The normal cost of rice in China was, however, possibly less than 200 cash per picul.²⁰

Among textile prices, the high Tang price of 200 cash per bolt²¹ was the lowest such price since Han, and so low a price was never again achieved during the ensuing thousand years. Though this price of 200 cash per bolt occurred during high Tang, it was not a normal price, and cannot be used as a benchmark. The price of heavy silk then was not exactly the same in every locality: The price south of the mountains was low, around 200-300 cash per bolt. The Henan price was higher, reaching over 700 cash per bolt.²² As a consequence, in kaiyuan 16 the authorities took a price of 550 cash per bolt as the standard for establishing the value of stolen goods. We may say that this was the high Tang standard price for heavy silk.

¹⁹The price of wheat in Europe during the sixth, seventh and eighth centuries was on the average 1 ounce of silver to buy 314 pounds of wheat. Cf. Michael G. Mulhall, *The Dictionary of Statistics* (London, 1892), p. 418. At that time

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the gold-silver ratio was 1:15. Cf. G. F. Warren & F. A. Pearson, *Gold and Prices*, p. 260.

²⁰*Kaiyuan Divination Classic*, 92, "Rain Prognostications": "In all four seasons, if there is rain on a *mao* day, it will always affect grain prices. Rain on the first *mao* day means 100 cash per *hu*. Rain on the second *mao* day means 200 cash per *hu*. Rain on the third *mao* day means 300 cash per *hu*. Rain on the fourth *mao* day means one catty of gold per *hu*." This book was written at the beginning of kaiyuan. Judging from this passage, it would seem that 100 or 200 cash per *hu* of grain was reckoned expensive. This shows how low the price of rice was.

²¹*Universal Statutes*, 7. Cf. note 11 above. *Comprehensive Mirror*, 214, kaiyuan 28: "In the Western and Eastern Capitals, a *hu* of rice was less than 200, and the same was true of a bolt of heavy silk." *New Tang History*, "Treatise on Food and Money," tianbao 3: "At this time all within the seas was prosperous. The price of a *dou* of rice was 13 cash, and in season a *dou* was only 3 cash, with a bolt of heavy silk at 200."

²²*Tang Collected Statutes*, kaiyuan 16, 5th month, 2nd day. The Executive Censor Li Linfu memorialized: "There are differences in the reckoning of stolen goods in the Empire. For example, south of the mountains heavy silk is cheap, whereas in Henan it is expensive. In places where it is cheap, it takes less than 300 to reach the point where the death penalty applies. In places where it is expensive, it takes more than 700 to reach the death punishment. As the light does not match the heavy, how can punishments be adjusted? I request that an Empire-wide standard be set for thefts in silk, with each bolt being reckoned at

There are two important reasons why prices were low during the first half of Tang:

The first is that the nation enjoyed profound peace within, and so production increased.

The second is that the quantity of coins was insufficient.

The Five-grainer was abolished in wude 4 [621]. Nor, of course, were a number of other coins of varying quality allowed to circulate. The Inaugural coin was the main money in circulation. But how could this be sufficient to meet demand? Such a situation was rare in Chinese monetary history.

The only comparable situation was when the First Emperor of Qin abolished all the old coins after unifying China, and solely employed the Half-ouncer. But on that occasion the large knives and spades could be reminted into the relatively small and light Half-ouncers, so there was no great problem involving the supply of coins. In addition, the production and circulation of commodities then was still not very well developed.

By Tang times, however, these aspects of economic life had developed a step further, and the coinage depended on light and small private coins like the String-ring cash being reminted into the larger Inaugural coins. By that time the Han Five-grainers had long since been melted down and reminted, or had undergone clipping, with the intact ones mostly having been hoarded away. Hence it was necessary to use several old coins before one had enough metal to remint them into one Inaugural coin. This, of course, caused a constriction in the supply of coins. The reason for the large role in the Tang economy played by barter lay precisely in this. The low prices were also related to this factor.

2. The An-Shi Disorders and the Depreciation of Money

Wasteful practices gradually increased during the last years of Xuanzong's reign. Though taxes in coin amounting to more than 2 million strings of coins, 19.8 million *hu* of grain and 7.4 million bolts of heavy silk, were collected annually, as well as cotton and plain cloth, annual expenditures often exceeded income. It was only the accumulated surplus of many years that kept the treasury solvent. In tianbao 8 [749] the Emperor led the officials into the Left Treasury to observe how many coins it still

no more than 550."

contained. Some say that An Lushan rebelled because he coveted this wealth of the Emperor.

The rumblings of war from Fanyang smashed the beautiful dream of the Palace of Immortality. War took the happy court of Emperor Minghuang and turned it topsy-turvy. Because the great peace had lasted so long, all had forgotten how to make war. It was precisely the case that "Yuyang was drummed up to battle, but there were no strong city walls north of the Yangtze." Nevertheless, Yang Guozhong still wanted to sell ordination certificates to the Buddhist and Daoist clergy, not realizing that even the coins and textiles of the Left Treasury could not continue to be paid out for very much longer.

After two years of war, selling official ranks and monkish ordination certificates proved no help, and under the control of the Fifth Jade, a monetary depreciation was carried out. In qianyuan 1 (758), 7th month, the 10-cash Qianyuan Heavy Treasure was minted to supply an army of several hundred thousand, but though a hundred thousand were decapitated and corpses spread out for 30 *li*, it was still impossible to quench the rebellion. At times even Guo Ziyi was on the verge of defeat.

After An Lushan's death, Shi Siming formally proclaimed himself emperor. Thereupon the 50-cash heavy wheel Qianyuan Heavy Treasure was issued. In the Eastern Capital, Shi Siming issued a 100-cash [339]

Obtain-one Original Treasure. In shangyuan 1 (760), 3rd month, the price of rice shot up to 7,000 per *dou*.¹ This was 3-400 times higher than the pre-war price of 200 cash per picul.

Private coining expanded madly. Some 800 persons in the capital region alone were executed for it. To have several types of nearly the same sized Qianyuan coins circulating with identical inscriptions was, naturally, very inconvenient, and so within the capital the face value of the heavy wheel coins was reduced to 30-cash, and the face value of the old Inaugural coins was raised to 10-cash. Even this represented a devaluation. In the 7th month an order was sent down revaluing the heavy wheel coins to 30-cash throughout the country. In baoying 1 (762), after Emperor Daizong ascended the throne, the small Qianyuan coin had its face value changed to 2-cash, and the heavy wheel large coin to 3-cash.

Later, after Yuan Zai became Chancellor, the large and small Qianyuan coins circulated at the same value. The privately minted Qianyuan coins of that time were much smaller and lighter than Inaugural coins. There are surviving Qianyuan Heavy

Treasures as light as 2.4 grams, and even 0.5 grams. We may imagine that the Inaugural coins from the old days must have been hoarded, and the small coins circulated. As a consequence prices did not return to former levels. It is said that in Loyang, occupied by Shi Siming, prices were even higher.²

In baoying 2 (763) rice still cost 1,000 per *dou* in the capital.³ The palace kitchens had not the materials for two consecutive meals, the palace guards went hungry, and commoners were pressed hard to make contributions. The price of salt during tianbao and zhide was only 10 cash per *dou*, just 2 copper cash per catty. After the outbreak of rebellion and the Fifth Jade's Salt Law Reform, the price of a *dou* increased to 110 cash, or 22 cash per catty, an eleven-fold increase.⁴

As a consequence of the monetary devaluation, there appeared several characteristic phenomena.

The first of these was an increase in the amount of money obtained by the officials. According to a regulation of kaiyuan 24 [736], 6th month, 23rd day, a first rank official's monthly income was only 60-70 strings.⁵ During the dali era [766-80] a brevet

²Yongle Encyclopedia, quoting *Floating Words of the Jing Studio*. Cf. *Collected Investigations of Ancient Coins*.

³Old Tang History, 123, "Biography of Liu Yan."

⁴New Tang History, "Treatise on Food and Money, 4": "During tianbao and zhide, salt was 10 cash a *dou*. . . When Qi [Fifth Jade] was made Salt and Iron Commissioner, a levy was placed on all the salt of the Empire, and a *dou* had its price increased to 100 cash before it was put out for sale, making the price 110 cash." Liu Su, *Great Tang New Words*, 10, "Reforms," no. 21: ". . . at the beginning of yongtai, a memorial sought permission to collect a 100 cash per *dou* levy on the salt of the Empire. Now this was done." (This work records events from the beginning of wude up to the end of dali.) Cf. the Yuanye zhiben edition of *Messages Requesting Reduction in the Price of Salt*.

⁵Tang Collected Statutes, 91. According to the *Old Tang History*, "Treatise on Food and Money," in yonghui 1 and kaiyuan 24, officials received the following monthly incomes. (During yonghui, in addition to salaries in cash, servants to protect the chamber were also provided, and the cash value of these is not included. The kaiyuan system also provided salary rice, the cash value of which is also not included here.) The unit is the cash.

Rank	Yonghui 1	kaiyuan 24
1	11,000	31,000
2	9,000	24,000
3	6,000	17,000
4	4,200	11,567
5	3,600	9,200

¹New Tang History, 54, "Treatise on Food and Money, 4."

official got a monthly salary of as much as 9,000 strings, and commandery prefects all got 1,000 strings.⁶ Guo Ziyi's annual official salary was 240,000 strings, not including his unofficial perquisites.⁷

The second characteristic was an increase in tax collections. For example, annual income from the salt tax during the early years of Emperor Suzong was only 600,000 strings. By the last years of the reign it had gone up ten-fold. It is said the people were not harmed thereby. The historians mostly give credit for this to the Transportation of Tribute policies of Liu Yan,⁸ but it was really because of the monetary depreciation. When the value of money has been reduced, its quantity must have increased.

Nevertheless, under ordinary circumstances, at a time of monetary depreciation a rise in income would generally not have been able to keep up with the rate of increase in prices, because in wartime production would be reduced and the supply of goods would become deficient, aggravating the extent of the reduction in money's purchasing power. [Even in peacetime, the privileged get the new money first, before it has driven up prices. The unprivileged get it only after it has passed through many hands, driving up the prices of what they buy before their own wages can increase. EHK] Laboring people and government functionaries must, however, continue to sell their labor, and so the standard of living of most people is placed in jeopardy.⁹

6	2,400	5,300
7	2,100	4,100
8	1,850	2,475
9	1,500	1,917

⁶*Tang Collected Statutes*, 91, "Inner and Outer Officials Kind and Cash Payments," 2, yuanhe 6 article. *Tang History*, "Treatise on Food and Money," makes a brevet official get 900,000, and a prefect 100,000.

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⁷*Old Tang History*, 120, "Biography of Guo Ziyi."

⁸*Old Tang History*, "Biography of Liu Yan."

⁹*New Tang History*, 162, "Accounts of the Childless and Orphans": "Movements of armies did not cease for a decade. The people's production suffered from empty looms. Those drafted as soldiers were lined up in the halls, and ranked in the streets. Bondservants and female servants were wearied with wine and meat, but the impoverished were starving while doing their labor service, and were flayed down to the marrow."

Ci Mountain Collected Writings, 7, "Questions for the Metropolitan Graduate" (yongtai 2 [766]): "At this point, of the three rivers' fertile land, the Huai, Si and Yao wilds, were all full of thorns and brambles grown old, and from this one can tell the extent of their cultivation. The great granaries were empty, and

Crafty persons took advantage of opportunities to take increased amounts of graft.¹⁰ Weak willed men sometimes

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found it hard to avoid bowing down before the temptations of money.¹¹ There were officials who

even the rats were starving. As for the masses, they did not know in the morning what they could eat in the evening. Soldiers were collected in the various circuits by the millions. If the harvests were not brought in, what was going to happen?"

Duke Lu Xuan's Garden of Pencils, 4, "Advising an Edict Reducing Salt Prices": "It has been thirty years since the rising of the bandits. Those who served on the ramparts, were completely removed from agriculture. Those who remained in the villages, had to make up for their absence. The soldiers and wagons were in waste lands, and army supplies had often to be transported to them. Many people became refugees, and the fields became fouled with weeds."

¹⁰*Old Tang History*, 126, "Biography of Chen Shaoyou": "In yongtai 2 (766) . . . Shaoyou wanted to seek out a nearby commandery because the mountain frontiers were distant. At this time Dong Xiu was working in the Military Affairs Bureau. Shaoyou spent the night in his village, waiting for him to return from his duties.

"When they met, he offhandedly asked, 'How many persons are there in your lordship's family? How much do you spend each month?' Xiu replied, 'For a long time I have advanced in office, and my family burdens have become terribly heavy. Furthermore, goods have now become expensive. In a month I expend more than a thousand strings.'

"Shaoyou said, 'With such expenses, your salary cash would last for only a few days, and for the rest you must seek the help of outsiders to gain succor. There should be someone who would sincerely make up the lack, but would be careful to conceal it, and thereby render it easier for you to exert yourself. Though I lack ability, I request that I alone be allowed to meet your lordship's expenses. Each year I could contribute 50,000 strings of cash. I have here more than half the amount, which I ask you to accept. The rest I will send after I have taken up my office. You need not trouble yourself over it.'

"Xiu jumped up when he first laid eyes on the money, and let out a great sigh of delight. As a consequence he gave Shaoyou a fine job. . . ."

¹¹*Taiping Broad Record*, quoting the *Eulogy of Solitary Leisure*: "Zhang Yanshang of the Tang (dali and jianzhong periods) was about to judge a financial matter. He knew that a large penalty was due because a false charge had been brought, and was much angered. He severely reprimanded the clerk in charge of bringing the case and said that the case had already dragged on for a long time, and must be finished within ten days.

"The next day when he settled down to business, he found a small card on his desk which read: 'Cash 30,000 strings. It is requested that you do not inquire about this case.' His lordship was greatly angered, and struck fear into the man. The next day

were pressed by the need to earn living to make demands from the countryside which were not permitted, and even intentionally committed transgressions in their search for graft over and above their salaries.¹² This had a very bad influence on all of the minor officials.

We lack detailed and reliable records on the degree to which prices jumped. Most recorded in the written sources are exceptional prices.

For example, when Nanyang was under siege in zhide 2 (757), a *dou* of rice sold for as much as 40-50 strings.¹³ When, in qianyuan 1 and 2, Yecheng's An Qingxu was besieged, a *dou* of rice sold for more than 70 strings.¹⁴ Neither of these prices had anything to do with money.

Issue of the Qianyuan large coins was followed by a jump in the price of rice to 7,000 cash per *dou*, but this rise was also in part a response to the psychological shock, and the price later probably slowly regressed backwards. The drought in the capital district at the beginning of shangyuan also only brought the cost of rice up to several thousand per *dou*. In qianyuan 3 the price of rice was below that during the drought-induced famine, and was only 800 to 1,500 cash per *dou*.¹⁵

After the liquidation of the large coins, prices probably fell further, since at the beginning of Daizong's reign (763-764), even under disastrous conditions, a *dou* of rice only rose to 1,000 cash.¹⁶ The

highest it reached was 1,400.¹⁷ Normal prices would, of course, have been still lower.

In the metropolitan level civil service exam given by the government in yongtai 2 (766) Yuan Jie set the following question: Why if in past years a *hu* of grain was considered expensive at 400, has it been considered cheap at 500 in recent years? Why if in past years a bolt of cotton was considered expensive at 500 cash, was it considered inexpensive in recent years at 2,000 cash?¹⁸ Evidently, the price of grain in around yongtai 2 was only twice the pre-war level, while cotton had jumped four-fold. Du Fu's "Remembrance of Bygone Days" contains the line "How can one hear that heavy silk is worth 10,000 cash?" This probably refers to the time when the price of heavy silk was at its highest level.

By dali 2 [767], the last elements of the forces of An and Shi had been run to ground, but the value of money had not been restored to its old level. When Guo Ziyi came to court from the Hezhong region, Emperor Daizong only rewarded him with 200 bolts of gauze silk and brocade, and not with cash, probably because the purchasing power of copper coins was very low. At each of the welcoming feasts for Yuan Zai and Wang Jin, and two others, there was put forth 300,000 cash. The feast for Tian Shengong cost 100 million.

These feasts were ostensibly to celebrate victories, but actually many difficulties still lay before the dynasty:

First, Turfan was continuing to cause trouble for China.

Second, to compensate the Uighurs for their help in recovering the Western Capital, China had agreed

he saw another card which read: 'Cash 50,000 strings.' He became still more angry, and ordered that proceedings be ended within two days. The morning of the day after that on his desk was yet another card, which read: 'Cash 100,000 strings.' He subsequently halted further inquiries.

"When his subordinates questioned him about this, he replied 'When the money reached 100,000 strings, it shook my spirit. There is no matter concerning which one may not change one's mind. I feared there would be disaster, and so had no choice but to take the money.'"

¹²*Old Tang History*, 131, "Biography of Li Gao": "At the beginning of shangyuan (760), there was a drought in the capital district, a *dou* of rice cost several thousand, and a great many died. Gao, judging his salary insufficient, urgently requested an external appointment. When this was not granted, he intentionally discounted the tax collections, and was demoted to becoming Office Chief of Wenzhou."

¹³*Old Tang History*, 114, "Biography of Lu Ling."

¹⁴*Old Tang History*, 200a, "Biography of An Qingxu."

¹⁵*Old Tang History*, 37, "Treatise on the Five Agents," qianyuan 3, intercalary 4th month: "This month Shi Siming retook the Eastern Capital, and in the capital a *dou* of rice was 800 cash." *Ibid.*, 10, "Annals of Emperor Suzong," qianyuan 3: "This year there was famine. A *dou* of rice reached 1,500 cash."

¹⁶*Old Tang History*, "Treatise on the Five Agents": "In the

Autumn of guangde 1, insects ate the shoots of the crop. This was especially severe in the northwest, in Guanxi. A *dou* of rice was 1,000 cash." *Ibid.*, 123, "Biography of Liu Yu," records an event of the early years of Daizong: "At this time, after newly conscripting soldiers and weapons, food was scarce everywhere, and in the capital districts rice reached 1,000 per *dou*." *Old Tang History*, 11, "Annals of Emperor Daizong," guangde 2: "From the 7th month heavy rains did not cease, and inside the capital a *dou* of rice was valued at 1,000 cash." *Old Tang History*, 11, yongtai 1: "It was a year of starvation, with a *dou* of rice at 1,000 cash, and all grains were expensive."

¹⁷*Old Tang History*, "Annals of Emperor Daizong," yongtai 1, 7th month: "At the time there was a long drought. In the capital a *dou* of rice was 1,400, and other grains proportionately as high."

¹⁸*Complete Tang Writings*, 380, "Yuan Jie's Questions to the Metropolitan Graduates," Number 4. I am referring to the Guangxu era year xinchou, Guangya Shuju edition. Other people's quotations substitute *dou* for *hu* as the unit for grain.

to purchase from them 10,000 horses annually, at a price of 40 bolts of heavy silk per horse. This was a very heavy burden on the people, and was the reason why heavy silk became expensive thereafter. The price of heavy silk then was 4,000 cash per bolt.¹⁹ This was much less than the earlier 10,000 cash per bolt, but still many times more than the prewar price. During the dali period there were some

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natural disasters, and rice rose to 800 to 1,000 cash per *dou*.²⁰

The situation did not worsen then because the authorities did not again resort to monetary depreciation, but instead used the method of broadening the sources and decreasing the outflow. By broadening the sources was meant a rise in taxes.

For example, in Emperor Daizong's yongtai 2 (766), a surtax was placed on the Green Shoots Land Head Cash and on the dali 4 (769) Autumn tax. Soliciting contributions from the people was another method for broadening the sources of income.

An example of decreasing the outflow was to decrease the office lands assigned to capital officials and to reduce staff. These measures all had the effect of constricting the use of money.

Nevertheless sole reliance on constricting the quantity of money or increasing the treasury's income was not enough to induce monetary stability. It was necessary to simultaneously increase production. In addition to the fact that too many men were then serving as soldiers, a large number of monks and nuns not only were not engaged in production, but were also not paying taxes, which was a very large extravagance.

This point was also stressed by other people then. For example, at the end of dali (779), Li Shuming sent up a communication requesting a cleaning up of the monasteries and temples of Eastern Sichuan, leaving only those monks and nuns in orders who were following the proper path, with the rest to be returned to secular life.

Peng Yan went still further with his proposal that all clergy be obliged to be fully employed. He

advocated having all male Buddhist and Daoist clergy under the age of fifty contribute 4 bolts of heavy silk annually, with nuns and Daoist priestesses providing 2 bolts. Their servants would be treated the same as ordinary people. People would still be allowed to serve as Buddhist or Daoist clergy. This proposal of his was opposed by court officials, and not carried out.

Within a few years after putting into effect the policy of opening the sources and constricting the outflow, the situation appeared to have improved somewhat. In yongtai 2 [766], the price of grain was only something over 500 cash per *hu*. The household tax was reduced in dali 5 [770]. In dali 8 the Green Shoots Land Head Cash was also reduced.

A good harvest made grain cheap, one *dou* fetching only 20 cash.²¹ The government was still putting out 1.2 million strings of cash to maintain the price of grain.²² These examples, however, can only show that the strength of the inflation had abated.

In actuality, prices were still very high, and as a consequence in dali 12 [777] official salaries were recomputed in terms of the new value of money.²³ Li Ao said that at the beginning of jianzhong (780) rice was 200 cash per *dou*,²⁴ which was four or five times the prewar level. In zhenyuan 4 (788), the price of salt increased from 110 cash per *dou* to 310, and in Hezhong and around lakes Dongting and Poyang to 370. This was the official price. Some sharp merchants even raised the market price to twice the official price.²⁵

We can tell from this that the authorities had no confidence they could restore the previous value of money. Naturally, a fall in the value of money caused the government to feel that the quantity of money in circulation was inadequate, and it took measures to mint more coins. In dali 4 the number of mints was increased; in dali 7 the domestic manufacture of bronze vessels was banned.

²¹Book Hall of the Original Tortoise, 502, "Equitable Sales": "Emperor Daizong's Dali 8, 11th month, day guiwei . . . There was a large harvest in the capital district, the price of grain suddenly cheapening, a *dou* of barley going to 8 cash, and grain to 20 cash."

²²Old Tang History, "Annals of Emperor Daizong," dali 9: "5th month, day gengshen. There was an edict to the Commissioner of Funds to pay out 700,000 strings and to the Transport Commissioner to pay out 500,000 strings for Harmonious Purchase of grain, since the abundant harvest had cheapened grain."

²³Old Tang History, "Annals of Emperor Daizong."

²⁴Complete Tang Writings, 634, Li Ao's "Communication on Changing the Tax Laws."

²⁵New Tang History, 54, "Treatise on Food and Money."

¹⁹New Tang History, 165, "Biography of Quan Deyu": "It is also said that during dali, one bolt of fine silk was worth 4,000 cash."

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²⁰Old Tang History, "Treatise on the Five Agents," dali 4: "This year heavy rain fell from the 4th to the 9th month, and rice cost 800 cash per *dou* in the capital." *Ibid.*, 11, "Annals of Emperor Daizong," dali 5, 7th month: "This month a *dou* of rice was 1,000 in the capital." *Op. cit.*, dali 6: "This year there was drought in the Spring. A *hu* of rice reached 10,000 cash."

At the beginning of jianzhong [780] more coins were minted. The cost of minting 1,000 cash [342]

was 900.²⁶ These were probably the small and light Jianzhong Circulating Treasure, which only weighed around 2.4 grams apiece.

The region between the Yangtze and Huai mostly used coins alloyed with lead and tin, in terms of which the price of heavy silk was exceptionally high.²⁷ Opportunistic people took good coins and melted them down, getting 6 catties of copper per thousand, and used the copper to cast implements which they could then sell for 600 cash per catty.

It was just then that Li Xilie's rebellion broke out, and because normal land taxes proved insufficient, Zhao Zan proposed minting a 10-cash tutenag large coin. Apparently this was not done. As a consequence, copper cash gradually became scarcer, causing the value of money to slowly rise.²⁸

It was only after the adoption of the Double Tax during Emperor Dezong's zhenyuan year period, however, that the trend in the value of money shifted, and the inflation of prices that followed the An-Shi disorders was finally brought to a halt.

²⁶*New Tang History*, 54, "Treatise on Food and Money": "In dali 7, casting of bronze vessels was banned throughout the Empire. At the beginning of jianzhong, the Executive of the Board of Census, Han Hui, requested the reopening of the Luoyuan Inspectorate with ten furnaces erected, because much copper was smelted at Hongyao, Shangzhou. Annually, 72,000 strings worth would be minted at a cost per thousand coins of 900. Emperor Dezong accepted this advice.

²⁷During the dali era Du Fu had said: "In former days the use of coins forced private coining. Now it is permitted to alloy lead and tin with copper." ("Carrying Out the Annual Feast.") *Tang Collected Statutes*, 89: "In jianzhong 2 the Inspector of Salt and Iron of the Circuits, Bao Ji, memorialized: 'The masses of the Yangtze and Huai region in recent days have been bringing coarse and bad coins into the markets for exchange. When melted down for reminting by the officials, three coins only yield two. The remainder consists of lead and tin which had been alloyed with the copper. If catties and ounces [of specie] are not used to purchase it, the price of heavy silk is rendered very high. Bad coins are gradually becoming more numerous.'"

²⁸*New Tang History*, 54, "Treatise on Food and Money": "[Jianzhong] 10. An edict to the Empire [limited the] casting of bronze implements to those weighing 1 catty, and with a value of less than 160 cash. Those who melted down coins to cast objects were to be treated as criminals. Nevertheless, coins became increasingly scarce among the people, and the prices of textiles lower."

3. The Monetary Contraction of Zhenyuan and Yuanhe

Beginning with Emperor Dezong's zhenyuan era (785-805), the Tang Dynasty underwent a monetary constriction which continued for some sixty to seventy years. This contraction was an important event in the history of China's monetary economy, its severity being comparable to the constriction which occurred under Southern Qi. Strictly speaking, however, we can only say that it was a partial deflation, since even at its lowest point, prices remained higher than the kaiyuan and tianbao level.

Four causes may be elucidated for the contraction.

First, it was a natural correction, since in the aftermath of a monetary depreciation, the people lose faith in money, which causes its purchasing power to fall to a certain extent over and beyond the fall induced by the reduction in the weight of the coins. This causes the market price of the copper coins to become lower than the value of their metal content, and gives rise to the phenomenon of private melting down of coins.¹

For example, during the changshou and yanzai periods of Empress Wu Zetian, Wu Sansi recommended casting an octagonal bronze pillar to be placed inside the Dingding Gate of Chang'an. It would be called the Great Zhou Ten-thousand States Transmit Virtue to Heaven Axis, would commemorate Wu Zetian's accomplishments and virtue, and would use over 500,000 catties of bronze,² most of which

¹*Old Tang History*, 48, "Treatise on Food and Money": "In zhenyuan 9, 1st month, Zhang Pang memorialized that 'everywhere both public and private parties had been casting bronze vessels and other objects, causing the state's coins to diminish in number, and bringing harm to many. Those who carry on this harmful practice melt down 1,000 coins to make 6 catties of bronze, which they then cast into utensils. Thus, a catty is worth over 600, the profit is considerable, and such melting down and recasting becomes more common. Between the Yangtze and the Huai, coins are indeed disappearing.'"

²*Chronicles of Tang Odes*, 13, "Li Xiulie" article, quoting the *Great Tang New Words*. *New Tang History*, 76, "Empresses and Consorts, first part: Gaozong's Zetian Shunsheng Empress": "Wu Sansi led in the chiefs of the frontier barbarians and the elders to request the making of a Heavenly Axis to commemorate the accomplishments and virtues of the Dowager Empress, degrading Tang and enhancing Zhou. An ordinance granted permission to do so. Objections were received that this would greatly weaken the bronze coinage through the melting down required . . . and heedlessly use 2 million catties of bronze cash."

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would be obtained by melting down bronze cash amounting to nearly 100 million coins. Later, during the kaiyuan period, the Heavenly Pillar was ordered destroyed, and the task of melting it down took more than a month. All this occurred before the war.

During the reign of Daizong [763-780], because coins of different sizes were circulating at the same value, the heavy Qianyuan and Heavy Wheel coins were all melted down by people to make utensils. In addition, the practice of melting down coins to cast statues of Buddha also flourished. During Daizong's reign, the Gold Pavilion Temple on Mount Wutai cast bronze into roof tiles, melting down many hundreds of millions of coins for this purpose.³ In these ways the quantity of money in circulation was reduced, and its purchasing power slowly raised.

The second cause was the reduction in the number of coins minted. By mid-kaiyuan, there were more than 70 furnaces in the country casting coins, and their annual production was fully a million.⁴ In tianbao 11, the total annual coin production figure was 327,000 strings.⁵ In terms of the population at that time,⁶ that was 6 coins per capita. During the reign of Xianzong (806-820), however, the whole country only minted 135,000 strings. In taihe 8 (834), production did not quite reach 100,000 strings.⁷

The third cause was the broadening of the territory within which coins were used. Yang Yuling stated that "before dali, in Ziqing, Taiyuan and Weibo, coins adulterated with lead and iron were in

use; in Lingnan use was also made of gold, silver, cinnabar and elephant tusks." After dali, however, all of these places used bronze coins.⁸

In addition to this, bronze cash were also being exported. The power of the Tang Dynasty was far-reaching, and its trade well developed. Where its merchants went, bronze cash followed. Chinese bronze cash were present as far away as Siraf on the Persian Gulf.⁹

Japan also imported Chinese copper cash. Japan's relations with China were very close then. In the first year of Ruizong's reign [710], two years before the Japanese moved their capital to Nara, they had already begun to mint coins.¹⁰ These re-

⁸New Tang History, 52, "Treatise on Food and Money."

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⁹"The Chinese Coin no Money besides the little Pieces of Copper, . . . There are some of these Pieces at Siraf with Chinese Characters upon them." *Ancient Accounts of India and China*, p. 47.

¹⁰From the beginning of the eighth century to the middle of the tenth century, bronze cash were minted in Japan on twelve occasions (not including the Opening the Foundation Victorious Treasure Gold coin and the still undiscovered Great Peace Original Treasure silver coin). These are what the Japanese numismatists call the twelve imperial coins. Their names, dates of first minting and approximate weights are as follows (The weights given are only on the basis of my personal observations; these are neither standard nor average weights.):

Coin Name	Date	Weight (grams)
Wado kaiho	708	3.0
Mannen toho	757	4.0 (some up to 6.0 grams)
Shinko kaiho	765	6.0
Ryohei eiho	796	3.7
Fushou shinho	818	3.4 (some large ones)
Eiwa choho	835	2.2 (some large ones)
Chonen daiho	848	1.7
Gyoei shinho	859	2.1
Teikan eiho	870	2.6
Kanhei daiho	890	2.0
Enki toho	907	2.9
Kengan daiho	958	1.9

Because Japan did not produce much copper then, to maintain the profligate way of life of the aristocracy it was necessary to have ever larger numbers of coins. Therefore a policy of depreciation was carried out: Whenever a new issue of coins was minted, one of the new coins was made equal to ten of the old ones, and there was also a tendency to lighten the coins. Only

This last phrase may have erroneously substituted "bronze cash" for "bronze and iron." The *Great Tang New Words* clearly states that "there was levied from the Empire over 500,000 catties of copper and more than 1.3 million catties of iron." This was because the Heavenly Pillar was to rest upon a mountain of iron.

³*Old Tang History*, 118, "Biography of Wang Jin": "In the time of Emperor Daizong . . . there was a Golden Pavilion Temple on Mount Wutai, which cast copper into tiles, which were then gilded, so that they reflected light into the mountain valleys. This used hundreds of millions of coins."

⁴*New Tang History*, 52, "Treatise on Food and Money," quoting Yang Yuling. Both the number of mints and quantity of coins given differ from the figures in other documents. At that time a mint only turned out 3,300 strings, and so how could something more than 70 mints have turned out one million? This figure is really suspicious.

⁵*New Tang History*, 54, "Treatise on Food and Money."

⁶*Old Tang History*, 9, "Annals of Emperor Xuanzong," latter part, records that in tianbao 13 the country's entire population was 52,880,488.

⁷*New Tang History*, 54, "Treatise on Food and Money."

sembled the Chinese Inaugural coins, so it is evident that Chinese coins must have flowed into Japan at an early date.¹¹ As Japan was minting its own coins by then, the quantity of Chinese coins flowing in was probably not great.

The fourth cause was taxation policy. There were few precedents in Chinese history for the miscellany of nuisance taxes levied after the An-Shi disturbances. Successive chancellors, like Yang Yan and Zhao Zan, bent their best efforts toward taxation policy.

In jianzhong 1 (780), total tax receipts were 13,056,070 strings, some six or seven times higher than at the beginning of zhenguan. In terms of the population at that time,¹² this was 4 strings 232 cash per household, which was no light burden. Because, however, of the Li Xilie attempt to overthrow the government, monthly military expenses were over 1 million strings, which would have emptied the treasury in a few months.

As a consequence, in addition to extorting loans from rich merchants, Zhao Zan also collected the so-called Room Tax (or House Tax) and the Deduction (or Exchange) Tax at a rate increased from 2 percent to 5 percent. In addition, there was also collected a commodity tax of 2 percent of the value of goods on which it was levied. A 10 percent tax was levied on bamboo, wood, tea and lacquer.

Because those in charge

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were corrupt and did not levy these at consistent rates, there was resentment everywhere, and Li Xilie

the *Mannen tohō*, the *Shinko kaihō* and the *Ryohei eihō* were particularly heavy and thick when first minted, weighing more than 1 *qian*. From the *Eiwa chohō* on, there were only light and small coins. The *Enki tohō* and the *Kengan daihō* were sometimes made out of lead, which made for a still greater degree of depreciation. However, this depreciation occurred over a period of 250 years, and the burden of it was spread over many generations of people.

¹¹Account of the Tang Yamato Expedition to the East records that on the second visit of inspection, the Japanese vessel was permitted to be loaded with goods which included 10,000 strings of copper cash, 10,000 strings of official mint cash, and 5,000 strings of purple edge cash. The official mint cash, at least, must have been Inaugural coins. In March 25, Meiji 9 (1876), among the objects excavated from the Yamato no Koku Soegami Gun Hokkeji Temple were three fragments of Inaugural Circulating Treasures, along with *Wado kaihō* *Mannen tohō* and *Shinko kaihō*, so it is evident that by around the time of the An-Shi disturbances, Inaugural coins had reached Japan.

¹²According to the *Tang History*, "Treatise on Food and Money," the population then was 3,085,076 households. *Investigation of Literary Remains* makes it 3,805,076 households.

could use the fact that he did not collect the Room Tax and Deduction Tax to win men's hearts.

The most important of the tax policies was Yang Yan's Double Tax. The instability in prices caused by the post-An-Shi monetary depreciation was only truly ended after the adoption of the Double Tax, and the monetary constriction only began after the institution of the Double Tax. This was because the various nuisance taxes had annoyed the people without bringing in much money. The histories say that when the Double Tax first came in, goods were still heavily demanded and coins lightly demanded, and only afterwards did goods become cheap and coins dear.

During the first half of the Tang Dynasty, taxation was in the three categories called *zu*, *yong* and *diao*. The *zu* was collected in grain, the *diao* in local products, and the *yong* was a replacement for labor service, probably reckoned in heavy silk.

This system was still suffused with the aura of a natural economy. No census had been taken since kaiyuan, however, and in the meantime people had died, moved, bought and sold and combined fields. This tripartite system of taxation had become even more inconvenient since the An-Shi disorders, but it was not until the time of Daizong (763-779) that a change was made to collect taxes on the basis of acreage rather than households. At the beginning of Emperor Dezong's jianzhong era, Yang Yan became chief minister, and he promulgated the Double Tax system, with all taxes to be collected entirely in copper cash.

The Double Tax law has a heavy significance in the history of the Chinese monetary economy. There have been two occasions in Chinese history when taxes have been monetized. One was the Reckoned Contribution, Mouth Cash and Reckoned Strings taxes of Western Han. The other was the Double Tax of mid-Tang.

The Han taxes had made it necessary for everyone in the country to use coins, and so greatly stimulated the circulation of money. The Double Tax also monetized various taxes, and so should also have stimulated the circulation of money, but its practical effect was not the same as the Western Han measures. The Western Han Reckoned Contribution was accompanied by an increase in the quantity of money, and so produced the expected consequences.

The mid-Tang Double Tax only increased the demand for money, but did not increase its quantity. Once, beginning in the reign of Daizong, various kinds of coins began to circulate at the same value, the heavier Qianyuan coins and Heavy Wheel coins were mostly melted down to make utensils or to produce Buddhist statues, and so there was a tendency for the quantity of money in circulation to be

diminished.

After the Double Tax was put into effect, everyone was using coins to pay taxes, and after the government had collected these coins, it did not pay them all out again. At the same time, because the rich families knew that the demand for bronze coins was not matched by their supply, they rushed to hoard them, causing a sudden contraction in their supply.

There was a weakening of the monetary economy during late Tang and Five Dynasties, and so this was a period of renewed strength for the natural economy. The institution of the Double Tax not only did not change this situation, it could well, on the contrary, have accentuated it, because it

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increased the demand for the medium of payment, while the quantity of money did not increase, and may even have diminished.

As a consequence, a still larger proportion of payments could only be made in goods. In fact, beginning in changqing 1, the Double Tax was entirely paid in plain cloth, silk thread and floss, and only the salt and alcohol imposts were paid in cash. That was a step backward.

It was within the context of this monetary contraction that Lu Zhi and Bo Juyi opposed the Double Tax. Although Bo Juyi criticized the errors of those administering the Double Tax,¹³ he was mainly con-

¹³Bo Juyi, "Sighs in Qin":

The original intent of the state in fixing the Double Tax,
Was to show its love for the people.

They first guarded against temptation,
And gave clear orders to inner and outer officials.

If one thing was added outside of the tax,

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Any wild methods might be adopted.
Is it any wonder that as the years and months lengthened,
Avaricious clerks got their way?
Obsequiously seeking favor,
They pull things in whether it is Winter or Spring.
Before a bolt of heavy silk is woven,
Hemmed silk comes in to the amount of a catty.
The hamlet clerk forces his way in,
And is not permitted to shrink back even for the moment.
At the end of the year Heaven and Earth close down,
And the ill wind rises to smash the village.
In the depths of the night the smokey fire quenches,
Clumps of snow spread white.
The young cannot cover their forms,
And the bodies of the old are unwarmed.
Their mournful sighs echo through the cold air,
And bitterness enters into the nostrils of both.

cerned with the monetary aspect. Lu Zhi said that grain and cloth could be produced by the people on their own, but coins could only be minted by the officials. Hence, the people had no way to obtain enough money to pay their taxes.¹⁴ Bo Juyi also said that for the peasantry to obtain bronze cash, they had no choice but to sell their foodstuffs at low prices or to borrow from usurers.¹⁵

The phenomenon of contraction was made manifest in the prices of goods. For example, in Emperor Shunzong's yongzhen 1 (805), the price of salt fell from 370 or more per *dou* to 250-300 cash.¹⁶ In an-

Yesterday they paid a cruel tax,
And so peeked into the official treasury's gate.
The cloth was piled up like a mountain,
And the bundles of silk floss were like clouds.
It is called coveting surplus goods,
And by the month they are presented to the superior.
Snatching the warmth from my back,
They buy benevolence from before your eyes.
Entering the Jade Grove Treasury,
As the years lengthen it all turns to dust."

¹⁴*Old Tang History*, 319, "Biography of Lu Zhi": "Grain may be obtained by way of the plow; cloth can be made by weaving; but as for coins, only the officials can mint them. This is what both aristocrats and commoners lack. It would be best to use grain and cloth because of their convenience."

¹⁵Bo Juyi, *Changqing Collection*. A discourse states: "The basis for collecting the old land tax, was to total the amount of mulberry land for the *zu*, and to estimate the size of families for the *yong*, the *zu* and *yong* being paid only in grain and cloth. Now in addition to grain and cloth, there is also a responsibility to pay in coins. For coins, mulberry land does not produce copper, private families dare not mint them, and so how can those engaged in agriculture obtain them? When they get coins, the clerks collect them, the officials constrict them, and so they exchange that which they have in order to meet the public measures set. In years of abundance they sell cheaply for half price, and do not get enough to make up a string of cash. In bad years the interest on their loans doubles, and there is not enough to pay back what they owe. . . ."

Bo Juyi's ode, "Present to a Friend":

Private families lack coin furnaces,
Flat land lacks copper hills;
How is the Spring and Summer tax,
Year after year to be paid in copper cash?
Coins' strength daily grows heavier,
The farmer's strength daily grows more exhausted,
Cheaply selling millet and wheat,
Cheaply trading silk floss and cotton,
By year's end clothing and food exhausted,
How can they avoid starving in the cold? . . ."

¹⁶*New Tang History*, 54, "Treatise on Food and Money, 4":

cient times in China, however, salt was a government monopoly, and though adjustments in its price might reflect the trend of prices in general, such changes were not made with alacrity. That is to say, the extent and the timing of such changes were not necessarily entirely parallel to other price changes. Salt's price tended to be a little milder in the degree of its movement than prices in general, and it tended to lag somewhat behind movements of other prices. Prices in general had already begun to fall back during the jianzhong year period [780-784].

There are no better indicators of the trend in prices than the prices of rice and heavy silk. In jianzhong 1 [780], the price of rice was 2,000 cash per picul. During the next few years military alarms were succeeded by floods and droughts, so that a picul ranged from 5,000 to 15,000 cash.¹⁷ Prices began to fall from zhenyuan 3 [787].

In zhenyuan 8 [792], Lu Zhi send up a communication saying that in the Yangtze and Huai region rice was going for 150 cash per *dou*, and for 37 cash in the capital region. He also said that in the districts of the capital itself, a *dou* of rice was only worth 70 cash.¹⁸

In a metropolitan examination question he posed during the yuanhe period (806-820), Li Ao had said that when the Double Tax was first instituted (in jianzhong 1 [780]), rice cost 100 cash per *dou*. Thirty years later (c. yuanhe 5), a *dou* of rice was only 20 cash. In his communication on tax reform he added that in jianzhong 1 rice was 200 cash per *dou*, while forty years later a *dou* was only 50

cash.¹⁹ This shows that during the contraction of the yuanhe period, prices went down to from one-fifth to one-fourth the level at the beginning of jianzhong. In yuanhe 6, rice fell to 2 cash per *dou*.²⁰

As for heavy silk, during dali (773), 1 bolt went for 4,000.²¹ At the beginning of jianzhong, a bolt [348]

was 3,200-3,300 cash. In around zhenyuan 8 [791], a bolt was 1,500-1,600 cash.²² By zhenyuan 19 it had fallen to 800 cash.²³ This price lasted right down to the yuanhe [806-821]²⁴ and changqing periods (821-824).²⁵ If we take the dali price of heavy silk as our base, then by the end of zhenyuan the price had fallen to 20 percent of that base level.

HEAVY SILK PRICE INDEX TABLE (1)

Year	Index Number
Mid dali (773)	100.00
Beginning jianzhong (780)	82.50
Zhenyuan 8 (792)	40.00
Zhenyuan 19 (803)	20.00

¹⁹Complete Tang Writings, 634, "Two Questions for the Metropolitan Examination."

²⁰Comprehensive Mirror, 238, yuanhe 6: "This year there was a large harvest in the Empire; there were instances of rice at 2 cash per *dou*."

²¹New Tang History, 165, "Biography of Quan Deyu": "Zhenyuan 19 . . . It was also said that 1 bolt of fine silk was worth 4,000 during dali, but now was only 800. Since the tax was collected at the old rate, this meant a five-fold increase in

the amount the people had to put out."

²²Collected Works of Duke Lu Xuan, 22, "Equalizing and Moderating Taxes to Aid the Masses," second article: "In the past, at the time when the Double Tax was first established, the masses would pay a tax of one bolt, which converted into cash was 3,200 or 3,300. In general, the rate was 10,000 cash for 3 bolts. . . Recently, when the masses have paid one bolt, it has been the equivalent of 1,500 to 1,600 cash. The general rate is 10,000 cash for 6 bolts." Old Tang History, 139, "Biography of Lu Zhi."

²³New Tang History, "Biography of Quan Deyu." Cf. note 21 above.

²⁴Collected Works of Duke Li Wen, 9, "Communication on Changing the Tax Laws": "I believe that since the beginning of jianzhong, when the Double Tax was instituted, until now forty years have passed. . . Now the tax rate is the same as before, and yet grain and cloth daily grow cheaper, while coins are increasingly more heavily demanded. One bolt of heavy silk is priced at only 800."

²⁵Collected Works of Han Changli, 40, "Petition on Regulation of the Salt Gabelle," (changqing 2): "Now a bolt of heavy silk is worth 800 cash."

"In the time of Emperor Shunzong, the price of salt in the Yangtze and Huai regions began to be reduced. A *dou* was 250 cash. In the Hezhong and lakes regions salt was 300 cash per *dou*."

¹⁷Comprehensive Mirror, 231, xingyuan 1, 5th month: "At this time there were military alarms in the Guanzhong, and a *dou* of rice was worth 500 cash." Same year, 11th month: "Today, locusts descended, and in the Guanzhong a *dou* of rice was 1,000 cash." In zhenguan 1: "Now in the Hezhong a *dou* of rice was 500, and forage was exhausted." Old Tang History, 12, "Annals of Emperor Dezong," zhenguan 1, 2nd month: "Famine in Henan and Hebei; rice at 1,000 cash per *dou*." Zhenguan 2, 5th month: "Heavy rains since day guisi until this day. People were starving waiting for the Summer wheat to rise when this continuous heavy rain occurred. Men's hearts were extremely fearful. A *dou* of rice had returned to 1,000 cash." Old Tang History, 141, "Biography of Zhang Xiaozhong": "Zhenyuan 2, locusts and drought in Hebei; rice at 1,500 per *dou*."

¹⁸Zhang Junqing, Searches into a Multitude of Books, latter collection, 52, "The Gates of Wealth: Countercyclical Sales of Grain." Comprehensive Mirror, "Annals of Tang."

Yuanhe 15 (820)	20.00
Changqing 2 (822)	20.00

There are several points we should note here: Even though prices were falling during zhenyuan because of the monetary contraction, the value of money had not returned to the level prior to the An-Shi disturbances. The price of heavy silk in particular remained somewhat high, because it was in demand for paying taxes. In Emperor Wenzong's kaicheng 3 (838), even in the silk producing Jiangnan region, heavy silk still cost 660 or 670 per bolt.²⁶ If we take as our base the kaiyuan 16 heavy silk price of 550 cash per bolt, then the index numbers change.

HEAVY SILK PRICE INDEX TABLE (2)

Year	Index Number
Kaiyuan 16 (728)	100.00
Tianbao 5 (746)	36.36
Suzong's reign (756-761)	1,818.18
Middle dali (773)	727.27
Beginning jianzhong (780)	600.00
Zhenyuan 8 (792)	302.90
Zhenyuan 19 (803)	145.45
Changqing 2 (822)	145.45
Kaicheng 3 (838)	121.28

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If we take the tianbao 5 price of 200 cash per bolt as our base, then the zhenyuan and yuanhe prices of heavy silk will seem even less low.²⁷

The circumstances surrounding the fall back in the price of rice are almost the same. During the monetary depreciation, a *dou* of rice reached 7,000. While a city was under siege, it ranged from 40-

²⁶*Entering Tang in Search of the Law* (manuscript of the Japanese monk Ennin), 1, relates that in Yangzhou "to buy 3 bolts of white heavy silk costs 2 strings."

²⁷With the tianbao 5 heavy silk price as our base, the index numbers for the other years are as follows:

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Year	Index Number
Tianbao 5 (746)	100.00
Middle dali (773)	2,000.00
Beginning jianzhong (780)	1,650.00
Zhenyuan 8 (792)	800.00
Zhenyuan 19 (803)	400.00
Changqing 2 (822)	400.00
Kaicheng 3 (838)	333.33

50,000 to 70,000. After the war, no matter what happened, a *dou* of rice was 1,000 cash. In zhenyuan 3 [787], 12th month, a picul had fallen to 1,500 cash; by zhenyuan 8 it fell to 1,000²⁸ and 700 cash.²⁹ In yuanhe 6 [811] it even sold for as little as 20 cash per picul, but this is an atypical example, and is attested only by the *Comprehensive Mirror*.

The normal price of rice at the end of yuanhe was probably 500 cash per picul.³⁰ This was the price at the time of the most severe price decline. Even then, it was more than twice the prewar normal cost of rice. In changqing 4, 5th month, the officials sold grain for 50 cash per *dou*.³¹ A little later the price went up to 70 cash.³²

Naturally, rice was a little more expensive than ordinary grain. During taihe, ordinary grain was around 60 cash per *dou*, but peasants could only sell it for 20 cash.³³

Still, any changes in money's value unsettles people. If the price of a *dou* of rice goes from 3 cash to 7,000 cash, people will, of course, have no way to earn their livelihoods. But for heavy silk to fall from 4,000 cash per bolt to 800 would strike an equally severe blow to the people's livelihood, whether or not this 800 cash price exceeds or is lower than the price of fifty years before. [Ludwig von Mises compares such a forced deflation following a forced inflation to first running a man down with a car, and then carefully backing over his body in hope of undoing the mischief. EHK]

The government made several attempts to remedy this excessive fall in prices. In zhenyuan 9 [793]

²⁸Lu Zhi sent up a communication requesting that the Board of Census be ordered to pay 200,000 cash to the Metropolitan Prefect of the Capital for him to use buy rice to meet shortages in the Wei Bridge area. A *dou* would require a price of 100 cash for the peasants to make a profit. *Searches into a Multitude of Books*, latter collection, 52, "The Door to Wealth: Countercyclical Sales."

²⁹*Collected Works of Duke Lu Xuan*, 18, "Request to Reduce the Jingdong Water Transport Collection of Foot Transport Price in Various Localities so as to Accumulate Food to Nourish the Armies."

³⁰*Collected Works of Duke Li Wen*, 9, "Communication on Change of the Tax Laws": "I believe that from the establishment of the Double Tax in jianzhong 1 until now forty years have passed. . . Now . . . a *dou* of rice is only 50."

³¹*Book Hall of the Original Tortoise*, 502, "Countercyclical Grain Sales." *Tang Collected Statutes*, 92, "Inner and Outer Officials' Pay in Kind and Cash," latter part.

³²*Tang Collected Statutes*, 92, "Inner and Outer Officials' Pay in Kind and Cash," latter part.

³³*Book Hall of the Original Tortoise*, 484, "Expenses," kaicheng 1 article.

it tried to encourage the mining of copper, and banned the manufacture of copper utensils. What copper was mined was bought by the government for casting into coins.³⁴

In yuanhe 3 a ban on hoarding coins was proclaimed. In yuanhe 12 another order was issued banning hoarding of coins. Regardless of a person's rank, his hoard of ready cash could not exceed 5,000 strings. Those with cash balances exceeding that level had to expend the surplus to purchase goods within one or two months, depending on the size of the cash balance. However, sufficient amounts of goods were hard for coin hoarders to discover, coins are not bulky objects, and even harder to lay hands on. Hence this measure would not seem to have had the anticipated effect. That is why commodity moneys were adopted.³⁵

In changqing 4 [824], a broader time limit was set for expending hoards of cash. Amounts exceeding 10,000 strings up to 100,000 strings had to be

expended within one year. Amounts from 100,000 to 200,000 strings had to be liquidated within two years. Analysis of these measures shows that they could have accomplished two things: an increase in the quantity of money and an increase in money's velocity of circulation. In actuality, hoarding of coins was one cause of the contraction. It was said that a hoard of 500,000 strings then would have been considered small.³⁶

In the 5th month of that year grain was rather expensive in the capital. A portion of official salaries was paid in grain, with a *dou* of salary grain discounted into 50

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cash.³⁷ Rice was expensive in yonghe 7 [833], 3rd month, because of a long drought, and a *dou* of grain was discounted into 70 cash.³⁸ This would not seem to have had monetary causes.

By Emperor Wenzong's kaicheng 3 [838], there were still upsets caused by goods being less in demand than coins. In yonghe 8 (834), annual coin production was still less than 100,000 strings, but there was one inconsistency which is worthy of note. At the same time that prices were low, people were melting down coins to make utensils, because it was said, a three or four-fold profit could be obtained.³⁹

³⁴*Old Tang History*, 13, "Annals of Emperor Dezong," zhenyuan 9, 1st month: "The sale of swords and copper utensils was banned. The copper mountains of the Empire were entrusted to people to work, with the officials to buy their copper. Except for bronze mirrors, nothing else was to be manufactured of bronze."

Old Tang History, 48, "Treatise on Food and Money," first part: "In yuanhe 3, 5th month, the Salt and Iron Commissioner, Li Xuan, sent up word that he had found ancient copper mounds at Pingyangye and Majijumu in Pingyangxian and Gaohegongxian of Shenzhou and Liuzhou in Hunan's jurisdiction. There were more than 280 pits. He had sent officials to check them out, and they indeed contained copper and tin. He now requested that two furnaces be established in the Guiyang Inspectorate of the old prefecture to mine copper and cast coins. About 20 strings per day could be produced, and in one year 7,000 strings, which would yield things of use for the people. This recommendation was accepted."

Also: "Regulation of yuanhe 8, 4th month: Because coins are heavily demanded and goods lightly demanded, 500,000 strings of cash are to be issued from the Inner Treasury, and the two markets are ordered to collect plain cloth and silk on the market, with each piece or bolt priced at a 10 percent increase."

³⁵*Old Tang History*, "Treatise on Food and Money," first part: "Yuanhe 6, 2nd month, regulations for public and private exchanges established that transactions of 10 strings of cash and more must be jointly conducted in bolts and pieces of cloth." *Old Tang History*, 16, "Annals of Emperor Muzong," yuanhe 15, 8th month: "The Minister of War, Yang Yuling, led the officials in a discussion of the supply and demand for money and goods, which advocated collecting all Double Tax, ferry, wine and salt taxes in cloth and other local products, and not in cash. This would gradually make goods more heavily demanded and coins gradually more lightly demanded."

³⁶*Old Tang History*, "Treatise on Food and Money," first part: "[Yuanhe 12]. At this time in the villages and townships of the capital region, those who had amassed hoards of money of no less than 500,000 strings, were Wang [?], Han Hong and Li Weijian." *New Tang History*, 52, "Treatise on Food and Money": "Since the establishment of the Double Tax during jianzhong, goods had become lightly demanded and coins heavily demanded, and the people had suffered from that. Up to then [when Muzong ascended the throne] it had been forty years. What would have at that point obtained 2.5 bolts of heavy silk, later on obtained 8 bolts, a three-fold increase in the general tax rate. Rich families and great merchants accumulated coins to seek out the lightly demanded with the heavily demanded, and so the peasantry was in difficulties, and those who failed in their occupations daily increased in number."

³⁷*Tang Collected Statutes*, 92, "Inner and Outer Officials' Pay in Kind and Cash," latter part.

³⁸*Tang Collected Statutes*, 92, "Inner and Outer Officials' Pay in Kind and Cash," latter part.

³⁹*Old Tang History*, 176, "Biography of Yang Zifu": "Orders banning bronze were frequently enacted by the court, but enforcement was not strict, and so it would have been better not to have such orders. Now from the Yangtze and Huai on south, bronze utensils have become the rage. Those who seek profit in the market can melt down 1 string of cash to make several utensils, and sell them for a profit of three or four-fold. The people at a distance do not know the regulations, and sell at

One can only explain this by surmising that the prices of copper utensils must have risen even more than had copper cash. This deflation was really only partial, and so a number of prices remained higher than their tianbao era level. During kaicheng, the price of a picul of rice was probably 800 cash.⁴⁰

The constriction in the supply of money explains the phenomenon of the Short-hundred. During yuanhe [806-821], the Short-hundred was instituted in the capital region, with each string being diminished by 60 cash. During changqing [821-825] it was reduced by 60 cash. At the end of the reign of Zhaozong [904], it was diminished by 150 cash in the capital, and by 200 in Henan. This practice lasted through the Five Dynasties, and right down to Song.

4. Value of Money During Late Tang and Five Dynasties

The monetary constriction of zhenyuan and yuanhe was, for a time, alleviated during late Tang. This easing was brought about by the monetary reform of Emperor Wuzong's huichang period [841-847]. There were three reasons for undertaking this monetary reform.

The first reason was the scarcity of coins since zhenyuan and yuanhe times, which caused a great many payments to be made in silk. When Emperor Wuzong rewarded Shi Xiung, he did so with 7 bolts of silk. Military provisioning was also financed with bolts of heavy silk. When Liu Zhen was levying commercial taxes in Shandong, he calculated them entirely in terms of bolts of heavy silk. These were all consequences of the shortage of money.

The second reason was an increase in military expenditures. During the huichang period there was

the normal rate. Even if the state increases the number of furnaces minting coins, how can this keep up with the bad practice of melting them down and recasting them into utensils. Hence laws banning bronze utensils must be severe."

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⁴⁰ *Entering Tang in Search of the Law* (manuscript of the Japanese monk Ennin), contains a reference to the price of non-glutinous rice in various localities during kaicheng 5. In Laizhou a *dou* was 90 cash; in Fenglaixian, it was 70; in Beihaixian it was 60; in Qingzhou 100; in Yuchengxian 100. If we average these figures, a *dou* ran 84 cash. The Qingzhou price, however, was produced by three or four years of infestation by locusts, and so the normal rice price was probably no more than 80 cash per picul.

war with the Uighurs and Turks abroad, and at home there were the Zhaoyi (Liu Zhen) and Taiyuan (Yang Bian) rebellions. There was not even one year of peace.

The third reason was the anti-Buddhist policy of the authorities. The Chief Minister Li Deyu was an opponent of religion. The two main religions of that time were Buddhism and Daoism. Emperor Wuzong was a believer in the Daoist Immortals. A Daoist priest had slandered the Buddhist temples to him, and made the Buddhist temples the focus of his attack. In fact the Buddhist temples of that time were more extravagant than the Daoist ones. Ever since the Northern and Southern Dynasties, immeasurable amounts of China's gold and bronze had been lavished on the Buddhist temples.¹

In huichang 5 (845) a nationwide purge of Buddhist temples was carried out. More than 4,600 of them were destroyed, and in excess of 260,500 monks and nuns were secularized. Some 40,000 monastic estates were placed back on the tax rolls.

This measure had three aims. The first was to use the bronze statues and bells in the temples to cast coins, and the gold and silver to fill the state treasury. The second was to turn the res secularized monks and nuns into sources of tax revenues, and to bring about an increase in production. The third was to use the millions of acres of fertile land on the monastic estates to increase production.

¹ *Wei History*, 114, "Treatise on Buddhism and Daoism": "Xingguang 1, Autumn, an edict to the authorities inside the Wuduan Great Temple to cast five standing statues of Sakyamuni for Emperor Taizu and his four successor emperors, each to be 1 *zhang* 6 *chi* tall, in all to use 25,000 catties of red metal . . . Tian'an . . . [second year], another standing statue of Sakyamuni was cast in the Tiangong Temple. It was 43 *chi* tall, and used 100,000 catties of red metal and 600 catties of yellow metal."

Northern Qi History, 46, "Biography of Su Qiong": "Su Zhen's transfer was to be Left Executive in charge of Xuzhou. In Xuzhou city, the Wuduan Temple was looted of 100 bronze images."

Liang Huijiao, *Biographies of Great Monks*, 13, "Biography of Shifayue," records that "in tianjian 8 of Liang, the Songwang Temple in Pengcheng made a 1 *zhang* 9 *chi* tall metal statue using 43,000 catties of copper."

Old Tang History, 118, "Biography of Wang Jin": "[In the time of Emperor Daizong] there was a Gold Pavillion Temple on Mount Wutai, which cast bronze into roof tiles which it then gilded, so that light shone into the mountain valleys. Hundreds of millions of cash were required." *Old Tang History*, 153, "Biographies of Xue Cuncheng and his son Yanlao": "During baoli . . . to honor religion a new palace was built in the Qingsi Courtyard of the palace grounds. It required 3,000 bronze mirrors and hundreds of thousands in gold and silver."

In huichang 6, 2nd month, an order was issued that from the beginning of the next year only new coins, that is the Huichang Inaugurals, were to be used. Up to then there had been only seven inspectorates minting coins. Now their number was to be increased to eight. In addition, each circuit was to set up a furnace.² The old coins were to temporarily cease circulating for several years. The old coins were not in fact withdrawn, and so the quantity of money increased. The prices of plain cloth and heavy silk rose, and coins appeared in the salaries of civil and military officials.

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The histories state that after Xuanzong ascended the throne, Wuzong's policies were entirely overturned, and the new coins were used to cast Buddhist statues. Yizong, however, in his turn revised some of Xuanzong's errors. It is possible that the new coins continued to be minted. Though not many of them survive, they are not so few that they could all have been minted within a few months.

Still, these new Inaugurals were insufficient in number to have caused prices to jump up very much, and so when during the xiantong year period (868), at the time of Pang Xun's uprising in Xuzhou, the cost of rice rose to 200 per *dou*,³ the histories treat it as an important matter. Evidently the normal price of rice was then much lower than this.

We can also see from this report that coins were still in short supply. Another piece of evidence for this is the reestablishment of the Short-hundred system. During high Tang, the full-hundred was used. During yuanhe [806-821], in the capital, a string was short 20 cash. This represented a restoration of the Short-hundred. At the end of Zhaozong's reign [904], the capital used 850 cash to make a string.

Peasant uprisings got under way with the ascent to the throne of Xizong. In qianfu 2 (875) Wang Xianzhi assembled several thousand men to attack and take Puzhou. In qianfu 4, Huang Chao led 10,000 men to take Yunzhou. Civil war continued during each of the next thirty years.

Over the broad expanse of China, from Canton in the south to Tongguan in the north, not one place escaped the devastation of war. Everywhere agriculture and sericulture were abandoned, and the plowing and planting missed their seasons. On the battlefields, corpses choked the rivers, blood flowed into the markets, prisoners were used for food, and bleached bones piled up in mountains. The living looked like ghosts, with their spirits entirely spent.

During zhonghe (881-884), when Huang Chao held Chang'an empty-handed, rice sold for up to 30,000 per *dou*.⁴ During the guangqi period (885-887), a *dou* ranged from 30,000 to 50,000,⁵ and even a catty of gold could not buy 5 *sheng* of rice.⁶ This, however, was entirely due to the shortage of food, and was not caused by monetary factors.

The economic causes for the fall of the Tang are very obvious. Years of vexatious taxation had brought the people to a point where they had no way to exist except by banding together to conduct uprisings. Men like Wang Xianzhi and Huang Chao all rose in this way, and Zhu Wen was a subordinate of Huang Chao.

And yet there seems to have been no monetary depreciation during late Tang. Although in depicting the circumstances of Huang Chao's attack on Chang'an the poets say "a *dou* of gold for a *dou* of rice,"⁷ that was because goods were scarce, and not because money was depreciated in value.

The rising of men like Huang Chao rent asunder the institutions of the nation, and aside from a few

⁴*Old Tang History*, 200, latter part, "Biography of Huang Chao": "The bandit made it an empty city, and tax revenues did not enter. Foodstuffs shot up in price, with a *dou* of rice going for 30,000. The official armies holding the mountain fortresses took the taxes contributed by the masses for their own provisions, and people obtained several hundred thousand."

⁵*Old Tang History*, 19, latter part, "Annals of Emperor Xizong," guangqi 2 [886], 5th month: "There were successive years of grasshoppers in Jingnan and Xiangyang. A *dou* of rice was 30,000, and there was much cannibalism."

Comprehensive Mirror, 256, guangqi 2, 12th month: "Qin Zongyan besieged Jingnan for two years. Zhang Guiying was defending the city. Inside the walls a *dou* of rice was worth 40 strings of cash."

Old Tang History, 182, "Biography of Gao Bian": "From the 2nd year, 11th month, rain and snow and dark nights. By the 3rd year, 2nd month it had not cleared up. There were successive years without good harvests. . . . When bandit Cai . . . attacked the city, inside the walls [of Yangzhou] a *dou* of rice was 50,000, and a majority died of starvation."

Comprehensive Mirror, 257, guangqi 3, 10th month: "Yang Xingmi besieged Guangling for half a year. . . . Inside the city there was nothing to eat. A *dou* of rice was worth 50 strings of coins."

⁶*Old Tang History*, 182, "Biography of Qin Yan": "Inside the walls of Yangzhou, precious objects were sold for rice. A catty of gold or a rhinoceros horn belt fetched 5 *sheng* of rice."

⁷Wei Zhuang, "Lament for the Woman Qin." Cf. the Commercial Press edition of the *Lament for the Woman Qin Annotated*, edited by Zhou Yunqing. Some people quote the line as reading "one *dou* of gold for one *sheng* of grain." Cf. A. C. Moule, "A Life of Odoric of Pordenone," *T'oung Pao*, 20, p.

²*Searches into a Multitude of Books*, later collection, 59.

³*Comprehensive Mirror*, 254.

bold-hearted men, no one offered any genuine resistance. They surrendered to the first group that came along.

The central government had no great burden of military expenses, nor did it undertake to assume such a burden. This was because local land taxes were not paid over to the central government,

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and each locality minted its own coins. The central government's treasury was empty. When Zhu Wen took Xiangcheng, aside from several hundred ingots of gold and silver in a secret chamber, there was not a single coin.

As for the value of money then, since each locality minted its own coins, fluctuations were not regulated, and from a national perspective, there was probably still a shortage of coins. For this reason use of gold and silver became more common. Silver in particular came to be used to make a great many payments during the last years of the Tang.

The petty emperors of the Northern and Southern Dynasties of the third through sixth centuries managed to remain fairly well-off, but during the Five Dynasties of the tenth century there was not one government which was not extremely poor.

When Zhu Wen managed to get hold of several hundred ingots of gold and silver from the Xiangcheng prefectural office's secret chamber, he thought it was a miracle, and when 300,000 strings of accumulated back taxes came in from Henan and Guangzhou, that was enough to put him in business as a ruler. By the time of Li Cunzhu (923-926), it was only after he had received several hundred thousand in cash from various commercial towns to help him meet the expenses of the ceremony, that he dared begin acting as Emperor.

Emperor Mo arose in Fengxiang, and gave generous presents to the armies, but when he got to Luoyang and found the treasury to contain only several hundred thousand in gold and silk, he searched the households of the people of the capital, but found nothing to take.

Liu Chengyou (Emperor Wen of Han) heard that neighboring soldiers had come to the river bank, and was greatly frightened. Li Ye told him to go to the prefectural treasury to reward the armies, but each man was only apportioned 10 or 20 strings. After official salaries had been cut in half, they were further discounted.⁸ Local officials' salaries were en-

tirely dependent on local funds, and so officials of the same rank were paid different amounts in different areas, depending on the size and wealth of the local population.⁹

Historians have always treated the five small dynasties of Liang, Tang, Jin, Han and Zhou as the legitimate successors to Tang, but these five dynasties only occupied a small part of the north. In terms of political control, Jin and Han can almost be said to have been vassals of the Khitan. As for their money, they produced very few coins. Of the Kai-ping coins in collectors' hands, those reckoned genuine were minted by Latter Liang, and these were of very little use since there were too few of them. Even the Tiancheng Original Treasure of Latter Tang are not numerous.

Chinese sources of copper were few, and practically non-existent in those small pieces of land in north China. As a consequence, in tongguang 2, Latter Tang extended the use of the 80 cash per hundred Short-hundred, and at the beginning of tiancheng restricted the export of copper cash. Later the Short-hundred was made shorter, deducting another 5 cash per hundred in addition to the 80, so that payment of 1 string was in fact made with 750 cash.

Another monetary constriction occurred during Latter Jin. Manufacture of copper utensils was banned in tianfu 2, and in the following year the people were permitted free coinage, though the size

reduced by half and be paid entirely in coin. This was accepted. Before long, a half-year's salary was again discounted."

⁹*Old Five Dynasties History*, 103, "History of Han: Annals of Emperor Wen," latter part: "Qianyou 3, 7th month, the Finance Commissioner memorialized, requesting that salaries of prefectural and district officials be set according to the number of registered households. Districts with households numbering 3,000 or more would pay the magistrate 10,000 per month and the subprefectural registrars 8,000. Those with more than 2,000 households would monthly pay their magistrate 8,000

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and subprefectural registrars 5,000. Those with less than 2,000 households would monthly pay their magistrate 6,000 and their subprefectural registrars 4,000. Each household would pay 500 cash per month."

Old Five Dynasties History, 111, "History of Zhou: Annals of Emperor Taizu," 2, guangshun 1, 4th month, edict: "The responsibilities of a Defender are not light. For those whose worries of office are the same, the salaries established ought to be equal.

There have been rich and poor commanderies which have had equal responsibilities, or distant frontier prefectures, where salaries have been poor. It has been difficult to propose sending people to such places. Just as we discuss the height or lowness of the responsibilities of a place, we suffer from the rising and falling of salaries."

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⁸*Old Five Dynasties History*, "History of Tang: Biography of Kong Lian": "It was further memorialized that although the officials' salaries had been much discounted, and that payment of them had not actually been made, it was requested that they be

of the coins produced was inadequate, and they were adulterated with lead and iron. As a consequence after several months this measure was abrogated.

The supply of coins was somewhat improved during Latter Han, but during the qianyou period [948] there are references to "the hundred reduced by thirty." Hunan used tin coins, one hundred of which were the equivalent of one copper coin. All of this attests to a coin shortage. Of those in actual [357]

circulation, most were likely lead and tin or the so-called iron and tin coins. Liu Rengong and his son Liu Shouguang used iron to mint coins, and even made them of clay.

Latter Zhou's Emperor Shizong almost put into effect a policy of having a state monopoly of brass, banning private holdings of copper, with a penalty of transportation for three years for holding from 1 ounce to 5 [sic] catties, and capital punishment for quantities in excess of 5 catties. Sold to the government, a catty of pure copper fetched 150 cash, and raw copper fetched 100.¹⁰

Later, 3,336 Buddhist temples were abolished all over the Empire, and their bronze images were destroyed to make coins.¹¹ Copper was bought from

Korea in xiande 4 [957].¹² Guo Rong (Emperor Shizong) looked upon minting coins as very important. It is said that he set up several dozen large furnaces in the rear palace, and personally oversaw the minting of the Zhouyuan Circulating Treasure.¹³ This is why the Zhouyuan Circulating Treasure is somewhat more numerous.

As a consequence, within the territorial sphere of the Five Dynasties, aside from the one monetary depreciation carried out by the Liu-Yan, generally speaking the supply of money was constricted, and money's purchasing power was probably rather high. During Latter Tang, a catty of cow meat was only 5 cash,¹⁴ and a *dou* of grain only 10 cash.¹⁵ During the changxing period (930-933), in levying one type of agricultural tool tax, each *mu* was assessed at 1.5 cash. In Latter Jin's tianfu 8 (943), in converting the field tax, a *sheng* of grain was made the equivalent of two intact coins, and a picul was equated with 200 cash.¹⁶

Nevertheless, the economic center during that period lay among the Ten Kingdoms, and not the Five Dynasties. The territory controlled by the Ten Kingdoms was big, its population was large, and the monetary changes which occurred were also large.

Chu's Ma Yin minted lead and iron coins, ten of which were equated with one copper coin. Fujian also minted large and small lead and iron coins. We

¹⁰*Five Dynasties Collected Statutes*, "Coins": "Xiande 2, 9th month, 1st day, edict. . . from now on, except for court objects, weapons, official objects and mirrors, and cymbals, bells and chimes in temples and monasteries, all other bronze utensils are banned. In the prefectures and districts of the two capital circuits, bronze images and utensils and bells, etc., made of bronze must be destroyed and handed over to the officials within fifty days after the promulgation of the edict. Private parties shall be given coins in exchange in proportion to the weight of metal they have turned in.

"Those who transgress by hoarding from 1 ounce to 1 [sic] catty, and those who are aware they are doing so, are to be transported for three years. Those around them are to get 70 strokes of the cane. Those who inform on them are to be rewarded with 10 strings of cash. For amounts from 1 to 5 catties, both offenders and those who were aware of their offense are to be transported for three years, and those around them are to suffer 90 strokes of the cane. Those who informed on them will be rewarded with 20 strings of cash. Those who hoard more than 5 catties, no matter how much the amount, will be executed. Those who knew of what they were doing will be transported for two years, followed by labor service for one year. Those around them will suffer 100 strokes of the cane. Informers will be rewarded with 30 strings of cash. Households handing over pure copper will receive 150 cash per catty from the officials, and 100 cash per catty for raw copper. . ."

¹¹*New Five Dynasties History*, "Annals of Zhou," 12: "In the first year after ascending the throne, 3,336 Buddhist temples throughout the Empire were abolished. At this time China was

short of coins, and it was proclaimed that all the destroyed Buddhist images would be used to mint coins. It was stated that the Wuchan Buddha had said that his life's experience had been a waste, and he was eager to profit the people. If his true body still existed and could profit the world, he would want to slice it up. How then could he but regret even less this bronze statue?"

¹²*Five Dynasties Collected Statutes*, 27, "Coins," Zhou, xiande 4, 2nd month, 11th day: "Knowing that Korea had much copper, permission was granted to trade for it to the people of Qingzhou, Dengzhou and Laizhou. Those who brought it to China were to sell it to the officials, who would buy it with coins. It could not be bought and sold privately."

¹³Su Qi, *Record of Opened Conversations*.

¹⁴*Old Five Dynasties History*, 38, "History of Tang: Annals of Emperor Mingzong," 4: "In tiancheng 2, 3rd month, day dingmao, an edict ordered prefectural and district officials to inspect the slaughter of cattle and selling of meat. Transgressors could be punished according to law. Meat could be sold from the time of the death of a cow for no more than 5 cash per catty."

¹⁵*Old Five Dynasties History*, "History of Tang: Annals of Emperor Mingzong," tiancheng 2, 12th month: "There was profound peace north of the mountains, with no disturbance or incursions along any of the frontiers. From Yanmen on north, and for several thousand *li* to the east and west, a *dou* of grain was only 10 cash."

¹⁶*Five Dynasties Collected Statutes*, 27, "Granaries."

cannot tell the face value of the Inaugural large coin, but the Yonglong large iron cash was equated with 10 small iron coins, and 100 lead coins. One of the Tiande coins had a face value of 100. The face values of the copper cash are not clear, but there was a tendency toward reduction of weight. The Tiande Heavy Treasure was smaller than the Inaugural large coin. Moreover, the number of copper coins is extremely small, and it is probable that it was mostly lead and iron coins that were in circulation.

Southern Tang must be considered the most important of the Ten Kingdoms. In addition to the Baoda Original Treasure of the baoda year period (943-957), Southern Tang also minted the Perpetual-circulation Spring-money 10-cash large coin. That happened during Emperor Xuanzong's zhongxing 2. Because of difficulties involved in the use of soldiers then, Zhong Mo's request was accepted, and this coin was minted, which amounted to a monetary depreciation. Later, when Zhong Mo was punished, this coin was abolished.¹⁷

The same year the Tang State Circulating Treasure was minted. Some say it had a face value of two Inaugural coins.¹⁸ Others say that two of these were equal to one Inaugural.¹⁹ Common sense tells us the first thesis is the correct one. Moreover, the Tang State Circulating Treasure is more uniform than the Huichang Inaugural, though it may be that

the Southern Tang Inaugural was being referred to.²⁰ We do not know when such Inaugural coins were minted. Before long a Great Tang Circulating Treasure was minted.

The Tang State coin and the Great Tang coin [358]

became ever smaller and lighter because of private coining. Originally, a thousand of the Tang State coins weighed 3 catties 12 ounces, but a thousand of the privately minted ones only weigh 1 catty. The Tang State Circulating Treasure 10-cash coin was smaller than the Perpetual-circulation Spring-money. By the time of Emperor Houzhu, Li Yu (964), iron coins were being used.²¹

At first they were circulated along with and at the same face value as the bronze coins,²² and as a consequence the phenomenon of bad money driving out good appeared. The people hoarded most copper coins, and merchants used ten iron coins to exchange for each copper one, which they then shipped across the state's boundaries, leaving only iron coins circulating inside the borders. The government had no way to stop this disappearance of copper coins.

The people also coined illicitly, causing prices to leap up. Houzhu then issued an order that one copper coin circulate as the equivalent of ten iron coins.²³ After the fall of Southern Tang, the number

¹⁷*Five Dynasties History*, 62, "Southern Tang Hereditary House."

¹⁸*Tang History Continued*, 6, "Annals of Emperor Yuanzong": "Jiaotai 2, xiande 6 of Zhou, Summer, 6th month, day guisi. The ruler of Zhou died, and the Prince of Liang, Zongshun, succeeded to his throne. Autumn, 7th month. Zhong Mo requested the minting of a large coin, the inscription on which read Perpetual-circulation Spring-money. One was equated with ten, and they circulated in parallel with old coins. Also minted was the Tang State Circulating Treasure, with one equivalent to two of the Inaugural coins."

¹⁹*Tang History Continued*, "Treatise on Food and Money": "Jiaotai 2, Autumn, 7th month. At Zhong Mo's advice, large coins were minted, with one of them equated with ten. The inscription read Perpetual-circulation Spring-money, with the word for money appearing on the right, and the word for spring on the left. These circulated along with the old coins. They also minted Tang State Circulating Treasure Coins. Two of these were equated with one Inaugural coin. They had also minted Great Tang Circulating Treasure, which was circulated alongside the Tang State coins. Within a few years these gradually became debased. The masses illicitly coined them, and they became extremely light and small." *Annals of the Ten Kingdoms*, "Tang History," and Wang Gong, *Convenient Miscellaneous Record*, have the same account. Lu You, *Southern Tang History* says that two of them were equal to two Inaugural coins.

²⁰*Investigation of Literary Remains*, 9: "The Jiangnan called it the Tang State Circulating Treasure. There were others minted resembling the Tang system [i.e. the Inaugural Circulating Treasure] and with seal script inscriptions [referring to those still in the clerk script style]."

²¹Ma Ling's *Southern Tang History* says that it was only in qiande 2 (third year of Southern Tang's Houzhu) that iron coins were discussed, but Lu You's *Southern Tang History* and [361]

the *Five Dynasties History*, "Southern Tang Hereditary House" both say that iron coins were already being minted by jianlong 1, but were not put into circulation until qiande 2. The *Record of Coins*, 4, quotes Qian Ruoshui's statement that in jianlong 4, Han Xizai requested the minting of (iron?) coins. The various statements are incompatible.

²²The histories are not very illuminating on the face values of Southern Tang coins. In addition to the contradictions in the records concerning the price in Inaugural coins of the Tang State and Great Tang coins, they are also not clear on the face value of the iron coins. The *Five Dynasties History*, "Southern Tang Hereditary House" says that one of the iron coins minted by Han Xizai was equal to two. This is quite illogical. How could one iron coin circulate as the equivalent of two bronze coins? Lu You's *Southern Tang History* says that six out of every ten coins were iron, and four were official copper coins.

²³*Five Dynasties History*, 62, "Southern Tang Hereditary

of copper coins accumulated in the various commanderies reached 670,000 strings.

We cannot tell how many of these bronze and iron coins were minted, but all of them were localized, and limited in their circulation to their places of origin, particularly the iron and lead coins, which would not have been accepted in other regions. Ma Yin's lead coins could only circulate inside the walls of Changsha. Outside the city, bronze coins were used. Because the area within which they circulated was small, it must have been common for local prices to be unstable. The face value 1,000 and 10,000 coins minted by Liu Rengong and his son in Yan territory would have had to have affected prices.

Both copper and iron coins were in use in Si-chuan. There was a fixed exchange ratio between the two. At first it took 1,200 cash to buy one bolt of heavy silk.²⁴ Since the iron coins were very finely made then, probably their number was not large. Later, their numbers gradually increased, and prices rose. By the beginning of Song a bolt of gauze silk went for 10,000 cash.

The consequence of Southern Tang's use of iron coins was also a jump in prices.²⁵ The consequence

of circulating iron and lead coins must have been the melting down of bronze coins and their hoarding. There were bans on iron and tin coins and on lead and tin coins in various places, but with so weak and small a state, their effect could not have been very great.

Within the territories of the Ten Kingdoms, prices were probably very low when calculated in terms of bronze cash. When Qian Liu was in Zhejiang, a *dou* of rice was as low as 2 cash.²⁶ During the dayou year period of Southern Han, a *dou* of grain fell to as little as 3 cash.²⁷ In Wu-Yue a picul of white rice was only 50 cash among the people.²⁸

Owing to the localized nature of the coinage, and the lack of uniformity in the quality of the coins, there were merchants who brought back lead and tin coins from the Jiangnan north to exchange for good copper coins. The localized and isolated nature of the Song Dynasty's coinage was a heritage of this period.

Because of the small number of bronze coins, in addition to silk cloth,²⁹ use of silver became still more common. Silver nearly took over the position held by gold during Qin and Han times for paying fines,³⁰ bribes,³¹ meeting daily expenses,³² paying

House": "The Heir Apparent, Jing, was in difficulties through use of soldiers. Zhong Mo requested the minting of large coins, with one equivalent to ten, with an inscription reading Perpetual-circulation Spring-money. Mo was found guilty, and the large coins abolished. Han Xizai then minted iron coins, with one equal to two." Also, "in qiande 2 they began to use iron coins. The people hoarded the old coins, and so the old coins became fewer. Many merchants would use ten iron coins to exchange for one bronze coin, and then exported the bronze coins. The officials were unable to ban this. Yu therefore sent down an order making one the equal of ten."

Wang Yong, *Swallow Wing Bequeathed Plans Record*: "The Li-Tang of Jiangnan of old used iron coins. This was because of the advice of Han Xizai to use iron coins for sixty percent of the coinage and copper coins for forty percent. However the price of copper coins deviated considerably, and could not be forced into line. In the last years of this Jiangnan state, ten iron coins were needed to make just one copper coin." *Investigation of Literary Remains*, 9.

²⁴*Chengdu Record*: "During its guangzheng era, puppet Shu began to mint iron coins. A thousand of these iron coins were equal to 400 bronze cash. An ounce of silver was worth 1,700 coins, and a bolt of heavy silk was worth 1,200 coins. The workmanship of the iron was very fine, almost as good as that of the bronze coins."

²⁵*Tang History Continued*, "Treatise on Food and Money": "When he first succeeded to the position, he minted the Tang State coin. Its inscription read Tang State Circulating Treasure. A thousand of them weighed 3 catties 12 ounces. After a few

years abuses arose. The masses illicitly minted them, and a thousand only weighed 1 catty. If you put them into water, they would not sink. Even severe prohibitions did not halt illicit minting. At this point there were recommendations for iron coins. After those had circulated for a few years, prices gradually increased, private coiners in the commanderies became quite numerous, and the coins became light and small."

²⁶Lu Shiyi, *Discussion of Reasons for Wealth*. Cf. Feng Menglong, *Annals of the Year Jiashen*.

²⁷Hu Wokun, *Circulation of Coins*, 23, "Edicts and Announcements."

²⁸*Memorials of Advice on Government by Duke Fan Wenzheng*, first part, "Replies to Edicts on Ten Matters": "I have investigated the high years, and it is said that in former times the Liangzhe did not return to the dynasty. Suzhou had 4 garrison fields stations, with a total of 7-8,000 people solely devoted to agriculture, raising river dikes so as to reduce flood damage. Thereupon, among the people 50 cash could buy a picul of white rice."

²⁹Zhang Qixian, *Record of Things Heard of Old of the Gentry of Luoyang*, "The Good Actions of the Literati of Emperor Taizu of Liang": "The lower rank Xu Hui of Fujian contributed a prose poem to Liang. The Liang ruler gave audience and rewarded him, and added that the ancients had a saying that in toasting a literatus one word was worth a thousand *jin*. Since military expenses were so great, one word would be rewarded with one bolt of heavy silk."

³⁰*Old Five Dynasties History*, 40., "Tang History: Annals of Emperor Mingzong": "In tiancheng 4, 6th month, the acting

taxes³³ and for salaries.³⁴

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There are examples of use of silver for all these purposes.

Although silver still had not fully assumed the role of a money, in so monetarily chaotic an age, it served as an excellent store of value. For example, monetary depreciation pushed up prices during Southern Tang. A bolt of fine smooth silk sold for 30 strings of iron cash, and one ounce of silver equalled 25 strings. Hence, calculated in terms of silver, the price was not too high. One length of smooth silk only cost 1.2 ounces of silver.³⁵

head of Jingnan Military Prefecture, Gao Conghui, sent up a message acknowledging his offense, and offering in restitution tribute a fine of 3,000 ounces."

³¹*New Five Dynasties History*, 36, "Biographies of Adopted Sons: Li Cizhao": "The Jidao Dowager, Madam Yang, was good at accumulating wealth, and in her lifetime there piled up in her residence bribes to the amount of a million. When Cizhao was besieged by Liang, and was confined to the city for years, with military expenses consuming his substance, what Madam Yang had accumulated was of help. By then she had saved several hundred thousand ounces of silver, which had been used to bribe eunuchs and servants by those who came to the capital. The eunuchs and officials all said that at first Jidao did not have any bad intentions, but had been corrupted by lascivious men."

³²*Old Five Dynasties History*, 134, "Zhou History: Accounts of Usurpers: Yang Xingmi": "Guangqi 3 . . . At first Lü used it to meet Xingmi in Tianchang, and in pretense said to Xingmi: 'To be used there are 50 ingots of white metal buried under the corridor of the place where I live. On the day of peace, I want to use it to prepare a feast for the generals and officers.'"

³³Xu Zai, *Record of Things Handed Down from the Wu-Tang* (written during the dazhong-xiangfu periods), "Encouragement of Agriculture and Sericulture": "During the shunyi period of Wu, the trading of official appointments was based on the land tax registers. For fields of the upper sort, each *qing* paid 2 strings and 100 cash. Middling fields paid a tax of 1 string 800 cash per *qing*. Lower quality fields paid per *qing* 1,500

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cash. These were all in ready cash in full strings. If there was not enough ready cash, payment could be made in gold and silver at the market exchange price.

³⁴*Old Five Dynasties History*, 116, "Zhou History: Annals of Emperor Shizong": "In xiande 3, 3rd month, the ruler of the state in Jiangnan, Li Jing, sent his official . . . a salary table was sent up, advancing 1,000 ounces of gold and 100,000 ounces of silver."

³⁵Wang Gong, *Convenient Miscellaneous Record*: "Jiang Biaoshi said that in Jiangnan the Li clan . . . at the beginning of jianlong first proclaimed a ban on copper, and minted a Spring-money 10-cash. They also minted the Tang State Circulating

5. Summary of Tang Dynasty Prices

If, in taking an overall view of Tang Dynasty money's purchasing power, we adopt the price of rice as our standard, prices were highest [*sic*; should be "lowest"] before the An-Shi disturbances. During the seventh century, especially during the '30s and '40s, rice was cheapest. During the second half of the century, except for the one year of yongchun 1 [682], there were no very high rice prices.

If we average out the rice prices which have been recorded, then during the zhenguan period, that is, during the second quarter of the seventh century, rice only cost 36 cash per picul, and during the last half of the seventh century, it was only 61 cash per picul. These, however, were prices during periods of especially good harvests. We may surmise normal prices during zhenguan to have been 100 cash per picul, or 160 cash per hectoliter.

During the second half of the seventh century, they were 150 cash per picul, or 252 cash per hectoliter.

During the first half of the eighth century, a picul cost 200 cash, or 353 cash per hectoliter.

After the An-Shi disorders, the price level rose sharply. Price figures for the last half of the eighth century were extraordinarily high. In contrast with the material for the most flourishing period of Tang, these are prices for especially poor harvests or even for times of sieges of cities. The normal cost of rice was probably 2-3,000 cash per picul, and the fifty year average was 1,006 cash per picul, or 1,692 cash per hectoliter.

The first half of the ninth century was the period of the most severe monetary contraction. Averaging the material we have collected, we get a figure of only 600 cash per picul, or 1,000 cash per hectoliter. This would be roughly the equivalent of 6 grams of gold, or 33 grams of silver.

There is no material on rice prices for the last half of the ninth century, but there were probably no large changes.

We can only estimate the influence of changes in money's purchasing power on the people's livelihood by comparing money's purchasing power with people's incomes, but a lack of source material gives us no way to calculate the incomes of the populace at large. We are only able to study the changes in officials' salaries over time and consequently in their

Treasure, with 2 equal to 1 Inaugural coin. They then used Han Xizai's scheme for changing the coinage. After that, one bolt of smooth silk sold for thirty, and an ounce of silver for 25 strings. Other goods were in proportion to this. By the end of kaibao, the national treasury was empty."

purchasing power.

Past historians have supposed that

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over the whole course of Chinese history, official salaries were most generous during Han.¹ They reached such a conclusion because they did not know of the differences in weight standards over time and variations in money's purchasing power.

In actual fact, during the first half of Tang, official salaries expressed in real income terms outpaced those of the Han. Tang official salary schedules were changed seven or eight times, and of course most of these changes were attempts to adjust to changes in the purchasing power of money. In real income terms, the highest level was under the kaiyuan [713-42] system, and the lowest under the dali [766-80].

In terms of the nominal quantity of money received, official incomes grew ever larger: For example, of those holding the Three Ducal Ranks, Yang Guozhong of the tianbao year period [742-56] would only have received several dozen strings of cash as his monthly salary if he had depended only on his income as Grand Minister of Works. However, he held several posts simultaneously, and brought in several million cash per month from various sources. During the dali period, Guo Ziyi brought in 120 strings a month as salary for his post as Grand Marshall. Ma Suijing of the zhenyuan period [785-805] could have gotten 200 strings.

If, however, we convert these to real income, the situation becomes different: If we take the price of rice as our standard, then Yang Guozhong got 160 hectoliters per month, and Guo Ziyi got less than 40. The situation of lower ranking officials was similar, but those of rank seven and below received relatively more generous incomes during kaiyuan, doing far better than officials of the same ranks during the dali period.

TANG OFFICIALS MONTHLY SALARY CHANGES²

¹*Qing Dynasty Investigation of Literary Remains Continued*, 141, "Official Ranks," item 27: "Official salaries flourished most during Han. Tang and Song did not come up to that level."

²Official salaries are according to *New Tang History*, 55. Rice prices in the table for the kaiyuan system are taken as 200 cash per picul, or 336 cash per hectoliter. For dali, a price of 2,000 cash per picul or 3,360 cash per hectoliter is used as the basis for the calculation. After dali, monthly salaries were determined on the basis of the office held, and not on the basis of rank. Regardless of rank, what is displayed in the table is for convenience of observation, so that the facts may be made fully clear.

Grade	Kaiyuan System		Dali System	
	Money Income (cash)	Real Income (hctltrs of rice)	Money Income (cash)	Real Income (hctltrs of rice)
1	54,333	161.47	120,000	40.00
2	40,666	120.84	80,000	26.67
3	30,332	90.17	60,000	20.00
4	21,567	64.10	40,000	13.33
5	15,866	47.14	30,000	10.00
6	8,632	25.66	20,000	6.67
7	6,766	20.11	10,000	3.33
8	4,875	14.49	4,116	1.37
9	3,817	11.34	1,917	0.64

Unfortunately we cannot compare the kaiyuan system with that of Western Han, because the Western Han salary system records are incomplete, but if we compare the kaiyuan system with the Eastern Han yanping system, we can tell that the incomes of officials of Eastern Han (at the beginning of the second century A.D.), whether in nominal or real income terms,

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were far less than those of high Tang (first half of the eighth century) officials.

Eastern Han's highest rank, the Two-thousand Picul rank, only got 18 strings of cash per month. Discounted into pearl rice, this only came to 26 hectoliters. A grade-three official of the kaiyuan period received more than 30 strings of cash per month, which in real terms was equal to 90 hectoliters of rice per month. Eastern Han's lowest ranked official, called the One-hundred Picul rank, got 1,600 cash per month, or in real terms, 2 hectoliters of rice.

A Tang grade-nine official of the kaiyuan period got over 3,800 cash per month, which in real terms came to more than 11 hectoliters of rice.

Because official salaries during Han were calculated in terms of a grain standard to begin with, they suffered relatively little from oscillations in the purchasing power of money. Changes in these amounts and differences in the measures employed during Eastern and Western Han could not have made for very great differences in official incomes during the most flourishing period of Western Han as compared with the Eastern Han level.

Even if we assume that salaries during Western Han were twice those of Eastern Han, they still

would not have been up to the kaiyuan level. However, Han officials did regularly receive imperial gifts.³ These gifts formed a part of their incomes, and one suspects, no small part of total incomes in general. This was especially true for generals, like Wei Qing. The gifts he received after a single victorious battle exceeded a lifetime's official salary income. This, however, is an atypical example, and Tang is not without similar cases. The gifts received by Guo Ziyi were also likely not

HAN-TANG OFFICIAL SALARIES
COMPARATIVE TABLE

Official Rank	Money Income (cash)		Real Income (hctltrs rice)	
	the basis of a price of 550 cash per bolt of heavy			
	Han (yanping)	Tang (kaiyuan)	Han (yanping)	Tang (kaiyuan)
Han 10,000-picul=Tang grade 1		54,333		161.47
Han Mid-2,000-picul=Tang grade 2	18,000	40,666	26.15	120.84
Han 2,000-p.=Tang gr 3	10,000	30,332	13.34	90.17
Han 1,000-p.=Tang gr 4	8,000	21,567	11.23	64.10
Han 600-p.=Tang gr 5	7,000	15,866	8.78	47.14
Han 400-p.=Tang gr 6	5,000	8,632	6.27	25.66
Han 300-p.=Tang gr 7	4,000	6,766	5.02	20.11
Han 200-p.=Tang gr 8	2,000	4,875	3.10	14.49
Han 100-p.=Tang gr 9	1,600	3,817	2.01	11.34

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³*Han History*, "Biography of Gong Yu," records a communication sent up by Yu which reads: "... was appointed Grandee Remonstrant, with a rank of 800 piculs, receiving 9,200 cash per month, and also Grand Provisioner of the Public Granaries. He was also given as gifts during the four seasons various kinds of cloth, clothing, wine, meat and various fruits. . . He was then appointed Imperial Court Grandee, at 2,000 picul rank, receiving monthly cash of 12,000, and many gifts, so that his family daily grew more rich."

few. Therefore some say that both Han and Tang were particularly generous to generals.

Nevertheless, for the most part the number of gifts diminished after Han, and there were inflexible rules concerning them, including during Tang. Tang officials, however, did in addition have office lands income, which has not been included here.

Capital officials' office lands during Tang ranged from 12 *qing* for first rank down to 2 *qing* for ninth rank officials. One *qing* produced 50 piculs of rice.⁴ If the official actually received 60 percent of these amounts, then a first rank official would receive each month 17.83 hectoliters, and a ninth rank official 2.97 hectoliters in office lands income.

There is not much material on the income of laboring people. During the reign of Xuanzong in the first half of the eighth century, a laborer's wages were 3 *chi* of heavy silk per day.⁵ If we calculate on

silk, then the cost of a month's substitute labor service would be 1,237 cash, or 3.66 hectoliters. This was equal to one-third the income of a ninth rank official. Sometimes, however, a bolt could only be sold for 200 cash.

In Emperor Dezong's jianzhong 1 [780], a gardener's annual wage was 960 cash, with 7 *hu* and 2 *dou* of rice in addition.⁶ Prices then were very high. Rice probably cost one or two thousand cash per *hu*, so in real terms such a laborer's monthly income was only 0.4 hectoliters of rice.

During the taizhong year period [847-860] of Emperor Xuanzong, the wages of hired labor were 500 per month.⁷ There is no documentation on the price of rice then. If we calculate on the basis of the cost of rice during the kaicheng period [836-41], then this was equal to 0.36 hectoliters.

The Tang dynasty, however, had a formula for allocating agricultural land on a per capita basis, which provided most people with a basic income. Wages can only be said to have provided supplementary income.

⁴*New Tang History*, 54, "Treatise on Food and Money": "Fields, averaging the most with the least fertile, produce over 50 *hu* of rice per *qing*." The *hu* used here was probably the same as the picul [*dan*].

⁵*Six Statutes of Tang*, "Board of Census," 3: "All individuals to work at labor service for two ten-day periods per year (with two days added in years with intercalated months). If there is no work, then the cost of their hire will be collected, which is 3 *chi* per day (with one-fifth more for plain cloth)."

⁶*Tang Collected Statutes*, 89, "Channels for Profiting Men."

⁷Li Junyan, *Continued Record of the Deep and Unusual*, 1, "The Unicorn Guest."