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6.3 Monetary Studies

1. Monetary Theory

There were no particular intellectual accomplishments during Jin and Yuan. Nor did these dynasties contribute anything to monetary theory.

The thirty year reign of Wanyan Yong, Emperor Shizong [1161-90], was the Jin Dynasty's most flourishing period, and this was true of money as well. Coins and certificates were still both being used then, and the value of money was fairly stable, but a tendency toward inflationary doctrine had already seeped into all discussions of monetary policy. In dading 10 [1171], Emperor Shizong said to the men of the Ministry of Finance:

The official coins are gathered in, but are not dispersed, and so coins are heavily demanded among the people, and trade must be suffering difficulties. Gold, silver and various commodities ought to be ordered to be marketed. (*Ruzhen-Jin History*, "Treatise on Food and Money.")

This statement shows that he saw clearly that money was only of use when it was in circulation.

There were many men of ability during the Yuan Dynasty, but from beginning to end, the Yuan Dynasty's monetary system was mainly based on paper money. As a consequence all discussions centered on questions involving paper money.

In zhiyuan 3 [1337], a foreign merchant wanted to buy up the metal backing for the paper money, and himself undertake the task of keeping the value of money stable, saying that this would increase the government's annual income. The Minister of Finance, Ma Heng, opposed this. He said:

The Exchange Certificates may regulate the myriad of commodities as a matter of law. These laws are the instruments of the Ruler. If now one merchant is given control over this, if law is abolished in favor of private power, what will remain to be used to control the Empire?¹

This was a Legalist argument.

Xu Heng (1209-1281) was an opponent of paper money. He was a courtier who enjoyed Emperor Shizu's trust. For such a man to express opposition to paper money might seem strange. Though he had a high reputation, he only held the post of Director of Education, and was not someone holding direct political authority. He was frequently in conflict

with those who did hold power directly, including such men as Wang Wentong and Ahema. Wang Wentong upheld the Zhongtong Certificates. Xu Heng

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considered Wang Wentong to be talking of profit, whereas he himself put his emphasis on righteousness.

By zhiyuan 15-16 [1278-79], the Zhongtong Certificates had become depreciated. To the "Directive on Mulberry Paper Money" he drafted for someone, he added a merciless attack on paper money. He considered the issuance of Hide Money by Western Han to have been the result of Emperor Wu's wastefulness, and to have been a petty scheme which could not be relied upon. During the ensuing 1300 years no one had dared try it again. He raised a new idea: That paper money was a debt owed by the government to the people. The more paper money fell in price, the larger the government's debt to the people:

A store of paper and ink standing for a quantity of coins may be exchanged for the goods of the common people of the Empire. Since it can be printed easily, the process may be repeated endlessly without exhausting its raw materials. The popular story of the immortal who had the ability to turn pottery into gold had nothing on this. . . . The rule during the jiading period [1208-1225] of exchanging one for two took away half of the people's property. The exchange of one for five during the duanping period [1234-1236] increased the burden on the people's property four fold, a terrible instance of unrighteousness.²

This was congruent with his view of fiscal policy. He believed that

to exploit those below so as to serve those above, to impose cruel taxes and vexatious imposts, will fill the granaries and the treasuries,

and the state's needs might seem to have been fulfilled, but

the land daily will be pared away, the fields will revert to weeds, floods will be followed by droughts, sighs of distress will emanate from the villages, and the people will freeze and starve, with brothers, wives and children being separated and dispersed.

Can this, he asks, be said to have been in the interests of the state's prosperity? Rather, this is what the

¹*Yuan History*, 163, "Biography of Ma Heng." Cf. also *Investigation of Literary Remains Continued*.

²*Posthumous Works of Duke Xu Wenzheng*, 7, "Instruction on Mulberry Paper Money."

lesser men call profit. As for what the gentleman calls righteousness, this lies in

reducing that which goes to those above so as to increase that which goes to those below, remitting anonymous taxes, abolishing inequitable levies, being frugal in expenditures, and reducing waste of food.

Then, though the state might not seem to be able to have enough to manage,

nevertheless, land will be opened, fields will be brought into good order, annual harvests will be abundant and rising, the storehouses will be full to overflowing, and the people numerous and flourishing.

Can this be said to be the state's poverty? In sum, he believes that cruel taxes and vexatious imposts to relieve a temporary emergency are inferior to increasing production so as to provide for the long term.

He believed that there was no way to support the paper money of that time except by using actual commodities to gather it in. By actual commodities he meant salt. Though what he said about paper money proceeded from the standpoint of an opponent, it constitutes one of the most vigorous arguments against currency inflation in the whole course of Chinese history.

There were others, like Zhang Zhihan, who wrote a 200 word "Discussion on Mulberry Paper Money" after the Mongol takeover of the south.³ By that time the Zhongtong Certificates had already depreciated in value. He advocated their redemption for cash, and joint issue of copper cash and paper money, with new certificates being issued. His view of paper money was close to that of Xu Heng. He wrote:

As for mulberry paper money, a square inch of paper is cut off to make flying cash, and a profit of many hundred fold is in fact obtained. Established by the sovereign power which ordains that it be heavily demanded, it is circulated according to regulations, and regulations are never anything but crafty. Nevertheless, before long, if not for measures to rescue it, the circulation of this money becomes obstructed.

He believed that the larger the quantity of money, the lower would be its purchasing power:
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Mulberry paper daily becomes more numerous, and daily

becomes cheaper. Gold, silk, pearls and jade daily grow scarcer, and daily more expensive.

This exudes something of the air of quantity theory.

Wang Yun (1227-1304) also devoted some attention to monetary questions. He discussed the Zhongtong Certificates in his *Middle Hall Affairs Record*.

He wrote from the perspective of the rulers, and did not oppose paper money. He believed that the Zhongtong Certificate system was basically a very good one, but he did not look at the problem theoretically. Instead, proceeding pragmatically, he believed that because the size of the original issue was small, the notes were fully backed by silver, and counterfeits were few in number, and prices were stable. Later on flaws appeared.

He put forward a "Petition on the Management of the Exchange Certificate Treasuries of the Circuits."⁴ When the Zhongtong Certificates had become still more severely depreciated, he wrote another 500 words "On the Certificate Regulations."⁵ His emphasis, however, was on technical problems, and he raised no theoretical issues.

Ma Duanlin (c.1228-1322) was also an opponent of paper money. When he discussed the Song monetary system in his *Investigation of Literary Remains*, he was very harsh toward paper money. He blamed paper money for the rise in prices, the starvation of the soldiers, and the inability of the officials and clerks to preserve their integrity.

Official grain purchases were made with mulberry paper; salt was dealt with in mulberry paper; official salaries were paid in mulberry paper; army officers were rewarded in mulberry paper; local government expenditures were without exception made with mulberry paper. Copper coins, because rarely seen, became precious. Nothing further was ever said about the backing accumulated in former days. This inevitably caused prices to soar, and brought down the price of mulberry paper. The people's lives were made distressful, and the soldiers frequently suffered from hunger. That the petty clerks of local governments were without the wherewithal to nourish their integrity was entirely because of the abuses of mulberry paper.

Actually, the abuses he mentions are merely the bad consequences of currency inflation, and were not caused by paper money as such.

Ma's father had been a chancellor of the Song Dynasty. After Song's fall, Ma devoted himself solely to scholarship and writing. He was extremely

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³Xiyan Collection (Complete Works of the Four Treasuries edition), 13.

⁴Complete Collected Works of Mister Qiurun, 89.

⁵Complete Collected Works of Mister Qiurun, 90, "Thirty-five Things to Convenience the People."

dissatisfied with the paper money circulated near the end of Song times. He seems to have believed that circulation of paper money must lead to currency inflation and soaring prices.

In practice, this was in fact the case, but theoretically, this position cannot be maintained. This is because once paper money has been placed into circulation, naturally all payments may be made with it. The problem lies in excessive quantities of paper money. Ma Duanlin raised no criticism on this point.

2. Monetary History

The development of the techniques of scholarly research is not uniform over the course of history, and we must examine the various factors involved in its evolution. Nevertheless, the work of scholarship can never be broken off. The impulse to seek true principles is like an eternal flame which is always burning somewhere. No matter under what difficulties, there will always be dauntless men who will bend their heads to the work and will accomplish something.

The Yuan Dynasty was just such a period. The Mongol aristocratic political authority understood only that they wanted to cultivate better grazing lands, and did not know how to promote scholarship and the literary arts. For the most part they repressed the Chinese, and Chinese culture went through a period of neglect, but this unfavorable climate did not destroy Chinese culture.

To a certain extent it even produced opposite results: In literature, the formal poetry of the bureaucratic class was transformed into the theatrical songs of the townsmen. In scholarship, it caused some who were dissatisfied with the current situation but lacked the power to change it, to throw themselves into the work of research with redoubled energy.

So far as research into monetary history went, the Yuan Dynasty was not far inferior to other epochs, having general histories, histories of particular periods and monographs which dealt with money.

The "Investigation of Coins" in Ma Duanlin's *Investigation of Literary Remains* may be classified as a general history of money. The subtitle of the "Investigation of Coins" is "Coinage Systems Through the Ages." It is divided into two chapters, comprising 30,000 characters. So great a length was

without precedent.

The "Investigation" begins with the origins of money and continues straight through to the paper moneys of Southern Song. Its arrangement differed from that of the previous two encyclopedic treatments, in that it took the form of a detailed outline. After a summary narrative, it would quote one or a few segments from other writers, but these quotations generally were not used to explain the previous summary narrative. This made for some degree of heterogeneity.

In addition to coins, each kind of paper money is treated separately, including Exchange Notes, Account Notes, Sichuan Vouchers, Huai Exchange, and Hu Account Notes, which renders the "Investigation" a compendium of reference materials which is convenient to consult.

Its first point of superiority consists in its clear statements. In this respect it is unlike the *Universal Statutes* and *Universal Record*, which simply copied things out

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as though their compilers' own opinions were identical to those of their sources.

Its second point of superiority lies in the large number of its quotations, which raises its historical value to a higher level than previous works of the same kind.

Third, though its contents were essentially transcriptions of the works of previous writers, even to preserving their errors, the author sometimes had ideas of his own, and expressed these in the form of appended notes.

For example, after quoting the section of the *Rituals of Zhou* on credit, there is a note by the author giving his own explanation of this section in opposition to those of Wang Anshi and later Confucians.

Ma Duanlin also states his opposition to the prohibition on hoarding ready cash of the Tang yuanhe era [806-820]. He believed that since the politicians could not "regulate the people's production in order to equalize poverty and wealth," it would be improper to merely limit the wealthy and powerful. He said that while it was possible to limit the number of the fields people held in their own names, it was going too far to constrain the hoarding of coins. This was because the aim of people in purchasing fields was to take possession of them, and so it was necessary to establish regulations if it was desired to limit their total acreage; whereas the ambition of a man hoarding coins is to circulate them, and there is no reason to establish regulations teaching him to trade them off, when that is precisely what he will do without such instruction.

Ma also believed that it was poor policy for Southern Song to have established limits for household

holdings of coins in shaoxing 29 [1159]. He also criticized Southern Song's paper money systems. All of this shows that he opposed oppressive government by the ruling class.

To sum up, Ma's *Investigation* was not inferior in value to the *Universal Statutes* of Du You or Zheng Qiao's *Universal Record*. Historians in later epochs have, of course, for the most part acknowledged this point, but some people put Ma's work below that of Du and Zheng. They said that the value of Du's *Universal Statutes* lay in the fact that it created a new form, and that Zheng's *Universal Record* value lay in its idiosyncratic point of view, in its uniquely creative nature, and even in what has been called its "arbitrary scholarship." They go so far as to suggest that its theses did not require evidence.¹

Actually, none of these three books can be considered as anything other than as compilations of materials. As a reference work, Ma's book has the advantage of being more convenient to consult. In addition, a reference book must be well attested. If

¹Zhang Xuecheng's *Clarification of Literary History*, 5, inner section 5, "In Defense of Zheng," states: "Lord Zheng [Qiao] . . . unfortunately is praised along with Ma Duanlin's *Investigation of Literary Remains*, but the latter work is carelessly done, and is far inferior to Zheng's work. Ma has not studied much and is superficial. Fundamentally he lacks definite understanding. If one follows and carefully judges his work's contents, one finds it is reckless in its judgments. If one then compares the two works in terms of the actual content of each for the same years, weighing the short and discussing the long, it is like comparing a mountain tower with an inch of wood, and Ma's work is not comparable in strength even where it does not commit errors."

Zhang Xuecheng's standards for evaluating an historical work involve "creation of precedents," or "vast principles," and the so-called "seeking of righteousness." He pays no attention to laxity in presenting evidence or to indefiniteness in selecting material. Zhang even goes so far as to say that Zheng's theses did not require evidence. This is like the practice of those Chinese artists during Yuan and Ming who talked only of style, and were not interested in actual forms. Zhang Xuecheng's ideas were, however, designed for the purpose of opposing those people engaged in detailed and minute investigations of special topics during the latter two-thirds of the eighteenth and early years of the nineteenth century, and were also conditioned by his times.

After Liang Qichao had heaped praise upon Du You's *Universal Statutes*, he went on to say, "after him, Ma Duanlin of the Yuan, in imitation of him wrote *Investigation of Literary Remains*. Though complete in its scope, and broad in its range of quotations, it nevertheless lacked fresh understanding and penetration. It is merely convenient for reference."

one raises one's requirements to a still higher level to require that a work serve as the text for a whole school of thought, then it is still more necessary to lay hold of correct source materials. If one's sources are unreliable, how can one form correct explanations?

The section on money in the "Treatise on Food and Money" of the *Song History* may be taken as representative of the monetary histories of particular periods written during the Yuan Dynasty. This section's contents are divided into two parts, "Copper and Iron Coins" and "Account Notes."

The "Copper and Iron Coins" subsection is a little over 10,000 characters long; the "Account Notes" subsection is some 4,000 characters long.

This section is not much longer than the "Investigation of Coins" section of *Investigation of Literary Remains*, and is very badly organized, amounting to no more than a pile of source materials. In reading it one cannot get a clear grasp of things.

Though the subsection on paper money is labeled "Account Notes," it actually includes

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Exchange Notes, Coin Vouchers, Communicating Medium, Account Notes, Ready Cash Communicating Medium, Silver Account Notes, Huai Exchange and Hu Account Notes, but it discusses them with unclear logic and in a disorderly fashion.

This is because its authors were compiling it under orders. They themselves felt no urge to do this work, hence did not shoulder the responsibility, and did their job carelessly. This was a universal failing of bureaucratic writing down through the ages.

The *Liao History* and *Ruzhen-Jin History* were compiled by the same group of men. Each contains a "Treatise on Food and Money," but the one in the *Liao History* does not have much material on money.

The *Ruzhen-Jin History* "Treatise on Food and Money" contains one chapter of some 9,000 characters on "Coins," which is the most detailed work on the monetary history of Jin, beginning with the first printing of Exchange Certificates and minting of Zhenglong coins and continuing right down to the fall of the dynasty.

Its organization is similar to that of the *Song History* "Treatise on Food and Money," but because the Jin monetary system was much simpler than that of the Song, its narrative comes out somewhat more clearly. The section on coins is, however, only 1,000 characters long. As a consequence, it could not avoid many omissions and neglect of many points.

For example, it is not clear concerning the

Cheng'an Treasure Money silver ingot, and of the copper coins it discusses only the Zhenglong and Dading, and does not even mention the Taihe coin. Fortunately, numismatics can provide a great deal of supplementary material on the Jin coinage.

For paper money, we have nothing but the *Ru-zhen-Jin History* "Treatise on Food and Money" on which to rely.

It is necessary to point out that Ma Duanlin's "Investigation of Coins" and the *Song History*'s "Copper and Iron Coins," like Du You's *Universal Statutes*, Zheng Qiao's *Universal Record* as well as the sections on money in the old histories of successive eras were all merely small sections of much larger works, and their authors were not specialists in monetary history.

Each of these authors held a different view of the place occupied in history by money, and each devoted a different amount of energy to this topic. Hence it would not be very appropriate to criticize an entire work on the basis of so small a portion of it.

For example, the *Universal Record* has more material than *Investigation of Literary Remains* on literature and the classics, but when we are discussing the history of money, we reach our conclusions only on the basis of this small section of each work.

There were also some monographs on monetary history during the Yuan Dynasty. Zheng Qiao and the compilers of the *Song History* cannot be said to have been specialists on monetary history. The author of such a monograph ought to be someone who has devoted special study to monetary history.

During the Yuan Dynasty there was Fei Zhu, who lived during the zhizheng period [1341-1367], and had served as Provincial Judge of Hanzhong and Manager of Chongqing Prefecture.² He wrote a *Coin Catalog* [*Qianbi pu*] in one chapter and a *Mulberry Money Catalog* in one chapter. The *Coin Catalog* is a monograph on the monetary history of Sichuan from the Han Dynasty through the chunxi year period [1174-1189] of Southern Song.³ The *Mulberry Paper Money Catalog* is a monograph on Sichuan's Exchange Notes and Coin Vouchers up until the qingyuan year period [1195-1200] of Southern Song.⁴

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In addition to these there was Wu Qi's *Full Investigation of Treasure Certificates*, in eight chapters. There are no details on its contents. It is said that it narrated the history of the Certificate system

during the eighty odd years from the zhongtong period on.⁵ When the Zhizheng Exchange Certificates were issued, Wu Qi was serving as Minister of Finance.

⁵Cf. *Complete Works of the Four Treasuries General Contents*.

3. Numismatics

The Yuan Dynasty did not make extensive use of coins. Hence it is easy to explain the lack of development of numismatics then. It is said that there appeared in zhida 3 [1310] a one chapter *Coins Through the Ages*. This was the year after the circulation of copper coins was proclaimed. This work is not, however, extant, and we have no details on its contents. It is possible that it resembled the "Investigation of Coins" of the *Investigation of Literary Remains*, and so was not a genuine numismatic work.

The Yuan Dynasty circulated paper money, and so there are several Yuan works dealing with paper money. This is a distinctive aspect of Yuan Dynasty numismatics. Among such works are Fei Zhu's *Mulberry Money Catalog* and Wu Qi's *Full Investigation of Treasure Certificates*. Since Fei Zhu's work had appended to it a description of a Coin Voucher, we can tell that it was a numismatic work, but since this was not an illustration,¹ the reader still does not know what a Coin Voucher actually looked like after perusing this work. The author lived a century or two after the beginning of Southern Song, but as he was born and lived in Sichuan, he may have seen actual Coin Vouchers.

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Wu Qi's *Full Investigation of Treasure Certificates* does not fall within the scope of numismatics.

Basically there is no strict boundary between monetary history and numismatics. Serious students of monetary history must give equal weight to both written and material primary sources, and in practice the superior sort of numismatist invariably studies the historical records as well.

Very few of those who studied monetary history in ancient times ever, however, came into contact

²Cf. Qian Cengwang, *Notes of Diligent Searches in Reading Books*.

³Cf. *Pan-Sichuan Belles Lettres Record*.

⁴*Sichuan Gazetteer*.

¹Cf. *Sichuan Gazetteer* (Qianlong 1 [1736] woodblock edition), 46. The *Shu Broad Record* which it cites was undoubtedly

with the coins themselves, while those who studied the coins generally placed the written sources in a place of secondary importance. Of course even when pure numismatists take up the study of historical written sources, it is to obtain starting points for numismatics. This is because numismatics is itself an independent science. Hence the problem of establishing a boundary between monetary history and numismatics is not really a very difficult one in practice.

by the same author.