

Chapter Five: *The Role Of Government* *In The Rice Trade*

Did the sporadically integrated rice market, as presented in the previous chapter, reflect the failure of state intervention? Historians often view state and market as dichotomous, assuming that a self-regulating market can only emerge in the absence of state intervention. Using this supposition, Han-sheng Chuan and Richard A. Kraus explained the formation of a self-regulating rice market on the Yangzi by arguing that the three government methods of price stabilization—the rice tribute, the ever-normal granaries (*changping cang*), and direct official purchase and disbursement of grain—did not have to be used actively to be effective. The state did not intend to exclude merchants from the food market. It applied price stabilization tools only to inhibit speculators from making excessive profits in times of famine.¹

Helen Dunstan, in her study on grain reserves, demonstrated a shift from state welfare activism to a more market-oriented approach in the mid-eighteenth century. She showed that the Yongzheng and early Qianlong periods were characterized by intense interventionism, with the government expanding its operation of ever-normal granaries and punishing hoarders. In the second half of the eighteenth century, however, although interventionist policies and institutions remained in operation they were no longer being guided, elaborated, and developed by active imperial direction. Some high officials even adopted a market approach to a food crisis; because of their advocacy, in 1748 the Qianlong emperor ordered ever-normal granaries to revert to their old storage quotas, cutting back on stocking targets. This imperial order marked the decline of active intervention in the grain trade, and signified the emergence of a rudimentary economic liberalism in China.²

¹ Chuan and Kraus, *Mid-Ch'ing Rice Markets and Trade*, pp. 28-39.

² Helen Dunstan, *State or Merchant?: Political Economy and Political Process in 1740s China* (Cambridge, Massachusetts, and London:

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This chapter will show that the negative impact of ever-normal granaries on the market was small. The major threat to a self-regulating rice market actually came from inter-provincial blockage of trade, mainly through provincial governments trying to keep grain prices low in their own jurisdictions. This chapter also argues that it was the central government that broke these provincial blockades and successfully upheld the principle of free trade along the Yangzi valley in the eighteenth century.

"Nourishing The People"

The Qing grain policy was based on traditional political philosophy, in which, as Bin Wong has pointed out, "nourishing the people" (*yangmin*) was paramount. This concept originated in *Guanzi*, a Han dynasty collection of materials written over several centuries about the way to achieve political stability, which said: "If the people lack sufficient [food], [the prince's] orders will be scorned. If the people suffer hardships, his orders will not be carried out."³ In other words, rulers needed to guarantee the food supply to avoid social unrest. This political philosophy dominated the grain policy in traditional dynasties, including the Qing.⁴ The Qing government believed that it had an obligation to protect the people from starvation. The question was how that goal could be achieved.

The Qing government recognized that market forces could stabilize prices on their own, but feared that speculators would de-stabilize them. This belief led to an ambivalent grain policy: on the one hand, the government encouraged inter-regional grain trade; on the other, it tried to punish speculators.⁵ Hoarding was illegal; Qing law stated that people

Harvard University Asia Center, 2006); see also Dunstan, *Conflicting Counsels*, pp. 8-9, 247-64, 327-33.

³ W. Allyn Rickett, *Guanzi: Political, Economic, and Philosophical Essays from Early China, A Study and Translation* (Princeton, New Jersey: Princeton University Press, 1985), vol. 1, p. 142.

⁴ Wong, "Chinese traditions of grain storage," pp. 1-3.

⁵ An essay from Zhang Qian, an early nineteenth-century Anhui scholar, echoes this opinion. Zhang categorized "merchants" as itinerant traders (*xingshang*) or resident traders (*zuogu*). Itinerant traders were regarded

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who hoarded grain would be punished and their grain confiscated.⁶

Despite the law, some local officials considered the ban unrealistic and were cautious about punishing hoarders. In the famine of 1742 and 1743, Chen Hongmou (1696-1771), the Governor of Jiangxi province, rejected the use of punishment to compel the rich to sell their grain, seeking instead to persuade wealthy households to display their magnanimity by selling their grain to the needy. Chen was not here showing a partiality for the rich. He disliked hoarders, condemning them as greedy exploiters. Nevertheless, he understood that coerced sales were not a good way to increase the food supply; on the contrary, such measures had a tendency to backfire, and exacerbate rather than resolve the crisis.⁷ In the 1740s, in fact, coerced sales worsened a famine in the lower Yangzi.

By the 1740s, probably because of the boom in the rice trade, Zhejiang officials wrote that wealthy merchants were hoarding rice in pawnshops.⁸ In 1744, the Anhui Governor Fan Can described the situation as follows:

[In Anhui,] a kind of speculators pawn [their grain] so as to avoid being referred to as hoarders. They first agree upon the interest to be charged by wealthy households or pawnshops, and when they have

as good merchants. Trading from one place to another, they contributed to “*hutong youwu*” (exchanging between places that have and those that have not). Resident traders were considered immoral: they paid no travel costs, but amassed grain they bought from itinerant traders, and would not sell it until its price had risen to an exorbitant level. They were condemned for greed, and for profiting at the expense of the poor. See Zhang Qian, “*Beihuang tonglun*” (n.d.; in *Qing jingshi wenbian*), 39/9a-14b. Zhang Qian obtained his *jinshi* degree in 1811.

⁶ In the *Qinding Da Qing huidian shili* (Precedents and regulations supplementing the Collected statutes), there was a category of “strict prohibition of hoarding and grain-wine brewing” (*yanjin tunji zaoqu*), which recorded several imperial orders against hoarding, and against using grain to make alcohol. See *Qinding Da Qing huidian shili*, 191/25b-32a.

⁷ See Rowe, *Saving the World*, pp. 180-1.

⁸ *Lufu zouzhe*, microfilm, reel no. 50, pp. 146-8 (QL 9.3.7).

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received money from the mortgage, they purchase [more rice] and pawn [it]. [In this way,] with only one to two hundred taels of silver [as capital], they can pawn up to a thousand *shi* [of rice]. If they have four to five hundred taels, they can mortgage a few thousand *shi*. Despite their meagre capital, their turnover can be quite substantial.⁹

This memorial shows that, instead of putting rice in warehouses, storing rice in pawnshops became a widespread practice for Anhui hoarders. Pawning rice was popular for two reasons: first, pawning was legal while hoarding was not; and second, pawning gave speculators a way to raise money to buy even more grain.

In an attempt to stamp out this version of hoarding the Governor of Anhui declared that nobody could pawn more than 50 *shi* of rice.¹⁰ It is not clear whether this measure worked, but at least the governor had drawn the central government's attention to the practice of pawning. The governor's measure received some support at court, and in the same year the Board of Revenue ordered officials in the lower Yangzi to investigate such practices in their own jurisdictions and suggest a solution.¹¹ This order reveals that the Qing government now considered rice pawning another form of hoarding, and therefore illegal.

Chen Dashou, who had become the Governor of Jiangsu in 1741, defended the hoarders.¹² In a 1745 memorial he argued that some price fluctuation was natural:

At the autumn harvest, there are many sellers in the market, and the price will of necessity be low. But in the interim between the first and second harvests, the farmers have no stocks of grain to sell, and the price invariably rises. That the price should be low at one time and high at another, sometimes falling and

⁹ *Zhupi zouzhe*, microfilm, reel no. 55, pp. 2344-6 (QL 9.4.26). This memorial was also recorded, but briefly, in *Gaozong shilu*, 215/23b-24b.

¹⁰ *Zhupi zouzhe*, microfilm, reel no. 55, pp. 2344-6 (QL 9.4.26).

¹¹ *ibid.*, pp. 2718-21 (QL 10.1.8).

¹² Chen worked as Anhui Governor from 1739 to 1741, and Suzhou Governor from 1741 to 1746.

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sometimes rising, is a normal phenomenon and does not arise entirely from hoarding.

Chen admitted that rice hoarding existed, but pointed out that it was only short-term because:

Rice is not like other goods, which can be stored for several years. All the grain stocked up by rich households is generally put on sale before the following year's autumn harvest; there is definitely no holding over into the next year. This means that what is harvested in one year in fact supplies that year's needs.

According to Chen, therefore, rice hoarders who engaged in high speculation did not exist. Rice could not be stored for a long period of time, so it was in the interest of hoarders to off-load on the short term. Moreover, these merchants contributed greatly to local grain markets, and therefore should not be obstructed by the government. Chen said:

As for the grain sold by the population, those shopkeepers whose capital is limited already sell as soon as they have bought, realizing but the tiniest of profits with which to keep themselves alive. There are, however, recurrent cases of those merchants whose capital is somewhat substantial accumulating stocks through minor purchases and awaiting a good price. Although this is the working of the merchant's profit-seeking heart, once the price is high, the rice is sold, and thus remains available for consumption within the local area. *The market does not run short of rice; the market price is kept from rising even higher.* [Italics mine.]

He warned that this normal circulation of rice would be severely disrupted if the law against hoarding were strictly enforced:

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Since merchants care only for profit, [if the law against hoarding is enforced] they will pile their stocks onto boats, and transport it [to sell] elsewhere.¹³

Helen Dunstan cited Chen's views as an example of a rudimentary form of economic liberalism.¹⁴ Nevertheless, it is clear that his opinion about a self-regulating market was a minority voice.¹⁵ His anxiety about the loss of grain if hoarding was disallowed became more widely shared in the government after a series of administrative disasters in local grain policy. In 1747 and 1748, when both the Jiangsu and Zhejiang governors prohibited hoarding, the consequences were exactly as Chen had predicted, and both provinces were depleted of grain as merchants took it elsewhere to sell. (See Chapter Three and Chapter Four.) In later decades, although the law remained on the books, it was rarely enforced, and the practice of pawning grain continued unchecked. In 1757, grain merchants in Zhaowen county, Suzhou, petitioned the government against local pawnshops, complaining of the pawnshops' additional charges, apart from ordinary interest, at the time of redemption. The Governor proclaimed the additional charges to be illegal and erected a large stone tablet, inscribed to that effect, in the county.¹⁶ In this proclamation, the Governor forbade the pawnshops to collect additional charges, but not the interest on the pawning of grain. In this way, the Governor openly accepted rice pawning.

The implicit suspension of the ban on hoarding did not mean that the Qing government abandoned its attempts to control

¹³ *Zhupi zouzhe*, microfilm, reel no. 55, pp. 2718-21 (QL 10.1.8). See Helen Dunstan's translation in *Conflicting Counsels*, p. 277.

¹⁴ Helen Dunstan, *Conflicting Counsels*, pp. 259-61.

¹⁵ Chen Hongmou supported a self-regulating market when he was the Jiangxi Governor between 1741 and 1743. But when he later worked in Shaanxi, a much poorer province, he intervened in the market. In both 1747 and 1748, when Shaanxi had poor harvests, he prohibited the export of grain, which was chiefly millet, to neighboring provinces. See Rowe, *Saving the World*, p. 178.

¹⁶ "Jinzhì xiàngdiǎn kèsuǒ chūzhān qiánwén shì shíkè" (1757; comp. in *Jiangsu shèng Míng-Qīng yílái bèikè zìliáo xuānjī* [Jiangsu: Sanlián shūdiàn, 1959]), pp. 651-2.

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the grain market. But the government came to rely more on other measures, such as reduced-price sales (*pingtiao*), to stabilize the price of grain.

Reduced-Price Sales

As we have seen, when grain shortages occurred, local officials put government grain on the market at a discount to bring the market price down. If this grain came from the diversion or retention of the grain tribute, magistrates had to remit the proceeds of the sale to the Board of Revenue. If the grain was taken from the ever-normal granaries, the magistrates had to use the proceeds to replenish the granaries later.¹⁷ After the reduced-price sales, magistrates had to purchase, on the market, the same amount of grain that they had sold. They usually bought in harvest seasons, when grain was cheaper.

The success of government control of the market depended on the amount of capital it was willing to input. If the government sold its grain to the public at a very low price, it could defeat speculators and stabilize grain prices, but at a huge loss of revenue. Pierre-Etienne Will has claimed that the reduced-price sales in the second half of the eighteenth century were ineffective, in that the government only allowed sales to be minimally below current prices; such sales could not check inflation.¹⁸ In the first forty years of the century, magistrates had been free to decide for themselves on the sale price, and might sell government rice quite cheaply to needy people. Fujian magistrates often sold rice at such low prices that the income from the sales was too small to buy back the same amount of rice at the autumn harvest.¹⁹

¹⁷ *Qinding Da Qing huidian shili*, 189/17a-23a. Ever-normal granaries in the Yangzi delta were required to sell 30 per cent of their reserves each year, an amount set in Jiangnan in 1695. See *Qinding Da Qing huidian shili*, 189/17a-b. In years of extremely poor harvests, amounts were larger. Pierre-Etienne Will has provided a detailed account of the management of the ever-normal granaries; see his "Part II: Structural problems," in Will and Wong with Lee, ed., *Nourish the People*, pp. 103-93.

¹⁸ Will, *Bureaucracy and Famine in Eighteenth-Century China*, pp. 183-4.

¹⁹ Gao Qizhuo, the Governor-general of Fujian and Zhejiang,

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The Qing government did not set a rule on price reduction until Jiangsu Governor Zhang Qu presented a proposal in 1739, in which he attributed the heavy deficit in granary reserves to the chronic practice of selling government grain too cheaply.²⁰ He suggested that only a narrow margin should be allowed between the official price and the market price, proposing that for each *shi* of unhusked grain (*gu*), price reductions not exceed 0.05 taels normally, and 0.1 taels in times of extremely high prices.²¹ The Qing court immediately accepted Zhang's proposal, which deprived magistrates of the right to decide the selling price, and ordered that it be implemented in all provinces.²²

The 1739 rule undoubtedly guaranteed the ever-normal granaries self-financing status, but such meagre reductions in the sales could hardly benefit the poor, as Yue Jun, Provincial Governor of Jiangxi, pointed out a year later. He emphasized that the new rule permitted only a small reduction, and because that reduction was calculated in unhusked grain, the savings in husked grain were only half as much. That is to say, for each *shi* of husked grain, the actual reductions were only 0.025 taels in normal years and 0.05 taels in periods of extremely high prices. Yue Jun argued that since poor people could only afford to buy a little grain, their savings were nonexistent. If they paid in copper cash, they actually lost on the conversion rate between copper and silver as set by the sub-bureaucrats in charge of the operation.²³

condemned the Fujian magistrates who cared only about pleasing the people, and ignored the huge losses in granary reserves. See [*Yongzheng*] *Zhupi yuzhi*, 45.84b (YZ 4.7.18). This memorial is also found in *Qingshi gao* (repr. Beijing: Zhonghua shuju, 1976-77), p. 3556.

²⁰ In 1739, Jiangsu governor Zhang Qu wrote that the large reductions in the reduced-price sales in his province had caused not only a great loss of granary reserves, but also undermined the function of the sales. According to him, if the government rice was sold at a very low price, it would be sold out within a short time, leaving local officials with no rice to fend off grain speculators. See *Zhupi zouzhe*, microfilm, reel no. 54, pp. 2809-13 (QL 4.8.15).

²¹ Will, *Bureaucracy and Famine in Eighteenth-Century China*, pp. 183-4. See also *Gaozong shilu*, 169/7b (QL 7.6).

²² *Zhupi zouzhe*, microfilm, reel no. 54, pp. 3164-6 (QL 5.6.13).

²³ *ibid.*, reel no. 54.3164-6 (QL 5.6.13).

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Even the Qianlong emperor agreed that the new rule was inappropriate. In 1742, he claimed that the government should not sacrifice the poor in the fight against hoarders. He said:

If we forbid greater reduction of the price of rice simply because of the speculation of evil people, then the poor people would have to wail over their hunger and still find it hard to survive. How can we do that!²⁴

To revise the current rules he called for suggestions from the provincial authorities.²⁵

Thus encouraged, some officials responded. Censor Zhao Qingli suggested greater price reductions in bad years. Li Qingzhi, the Vice Supervisor of the Household (Shao Zhanshi), suggested resuming the former practice of allowing local officials to decide on the sale price. Two officials proposed uncoupling the link between the price of government grain and market prices. In 1743, Zhang Zhao, Minister of the Board of Punishment, suggested that when setting the selling price, the government should consider only the original purchasing cost,²⁶ while Shen Qiyuan, the Provincial Administration Commissioner of Zhili province, proposed that the selling price should equal the purchase price.²⁷

Although the emperor's edict had made a point of his benevolence to the poor, he criticized the latter suggestions as being "unworkable in the extreme" (*butong zhiji*), since they would not allow magistrates to restock their granaries when grain prices kept rising.²⁸

Despite much opposition, the rules proposed by Zhang Qu remained in effect.²⁹ The only amendment was that, in times of serious famine, the imperial government would grant greater

²⁴ *Gaozong shilu*, 169/8a (QL 7.6).

²⁵ *ibid.*, 169/8b-9a (QL 7.6). See also Will, *Bureaucracy and Famine in Eighteenth-Century China*, pp. 184-5.

²⁶ Qian Chenqun, "Qing jian tiaojia jie zizhong shu" (1743; in *Qing jingshi wenbian*, 40/12b).

²⁷ *Lufu zouzhe*, microfilm, reel no. 49, pp. 2236-9 (QL 8.6.8).

²⁸ *ibid.*

²⁹ *Hubu zeli* (1864; repr. Taipei: Chengwen shuju, 1966), 16/13b.

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reductions by special imperial favour (*te'en*).³⁰ But such special imperial favours were rarely granted. The only occasions were the reductions in Zhili in 1743,³¹ Gansu in 1759, Jehol in 1763, Shandong in 1783, and Anhui in 1786. Wang Qingyun (1798-1862), the clearest writer on Qing dynasty administrative history, after documenting the few cases listed above, implicitly criticized the Qing emperors for being so miserly towards the needy.³²

The ineffectiveness of reduced-price sales was also documented in many memorials that depicted merchants as their main customers. In 1745, the Governor of Shengjing District criticized the reduced-price sales in Fengtian province as being a mere formality (*xuying gushi*). He noted that when a reduced-price sale occurred, the magistrate simply advised wealthy local merchants and speculators to buy up the government grain secretly, which enabled the magistrate to save labour costs and make a huge private profit.³³ In the same year, the Governor-general of Liangjiang condemned the widespread collaboration between *yamen* sub-bureaucrats and rice shop owners.³⁴ In 1747, a censor wrote that it took only about ten days before half of the government grain sold in a reduced-price sale flowed into the rice shops. In the same year, a Zhejiang magistrate was impeached for selling 1,930 *shi* of rice from his ever-normal granaries directly to a rice shop.³⁵

That local rice merchants were the best customers of the reduced-price sales was ironic but inevitable. Unlike the poor,

³⁰ Wang Qingyun, *Shiqu yuji* (n.d.; repr. Beijing: Guji chubanshe, 1985), p. 185; and *Hubu zeli*, 16/13b.

³¹ See Will, *Bureaucracy and Famine in Eighteenth-Century China*, p. 185.

³² Wang Qingyun, *Shiqu yuji*, p. 186.

³³ *Gaozong shilu*, 243/16a (QL 10.6).

³⁴ Yun Jishan, the Governor-general of Liangjiang stated: "The clerks impeded [the reduced-price sales] for their own benefit. They collaborated with rice shops and speculated in government grain. Numerous kinds of cunning malpractices and hundreds of clever swindles are found." See *Zhupi zouzhe*, microfilm, reel no. 55, pp. 2846-7 (QL 10.6.6).

³⁵ *Zhupi zouzhe*, microfilm, reel no. 56, pp. 720-4 (QL 12.10.13).

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merchants could afford to buy grain in large enough quantities to feel that they had made a bargain. Although the savings on each *shi* was small, it added up, and was considerable on large purchases. Ordinary people still bought grain from the ever-normal granaries, but through merchants as middlemen. Purchasing rice from merchants was much more convenient than negotiating the complexities of the official bureaucracy for what amounted to a miniscule discount.

In short, the reduced-price sales were a failure because of insufficient government backing. The Qing government was unwilling to allow the reduced price to be low enough that ordinary people, buying in small amounts, could realize a savings, and get relief from high grain prices.

The reduced-price sales may, however, have been more significant in terms of inter-provincial trade than in the retail market. In the following section I shall show that whenever provincial governments in the middle Yangzi valley enforced a grain embargo, the inter-provincial grain transfer (*xiebo*), followed by a reduced-price sale, became a way for the delta population to acquire grain in times of famine.

Central Versus Provincial Government In The Grain Trade

Yet another area where the central government played a role was in inter-provincial grain circulation. Again, the net results of the policy were ambiguous, for although the Qing court favored the free flow of grain in the provinces, provincial governments might not. When grain was plentiful, there was no conflict of interest, but when shortages caused prices to rise, local officials acted to prevent drains on domestic rice and protect their own urban population. Their main preoccupation was to keep grain prices low within their own jurisdictions, even when it meant setting up artificial barriers to dam the flow of grain out of their provinces.

Such barriers were easy to erect. The bulk of the grain traveled down the Yangzi and the rice trade was concentrated in several large cities that lay along the Yangzi or its tributaries, such as Wucheng in Jiangxi, Changsha in Hunan, and Hankou in Hubei. As soon as local officials blocked the export of grain at the major piers, long-distance trade was interrupted. The export ban of 1708 is a good case in point. In that year the lower Yangzi region,

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especially Jiangning, had a poor autumn harvest due to persistent rainfall. By the fifth lunar month, prices were rising. In normal years this seasonal price fluctuation would easily have been stabilized by the grain trade from the middle Yangzi, but this was not a normal year, and trade was interrupted. According to Cao Yin, Director of the Jiangning Imperial Silk Manufacturing, all the provinces (Hunan, Hubei, Jiangxi, and Anhui) that supplied Jiangning had banned their grain export. While Anhui later relaxed its ban, the other provinces did not. The export ban in the middle Yangzi drove up grain prices not only in Jiangning, but in the whole lower Yangzi region. In the sixth lunar month, Li Xu, the Director of the Suzhou Imperial Silk Manufacturing, wrote that grain prices were soaring in Suzhou as well. To break through the blockade, Li Xu and Cao Yin jointly invited a salt merchant to transport rice from Jiangxi, Hunan, and Hubei to Suzhou and Jiangning. The salt merchant bought the rice, but in the seventh lunar month he was still barred from leaving with it. In the eighth lunar month, with the export ban still in effect, Anhui, which had allowed its grain to be sent to the lower Yangzi, also had grain shortages. The middle Yangzi export ban was not repealed until the ninth lunar month, and then grain prices began to fall in the lower Yangzi.³⁶ Thus, even when the harvest was poor in the delta region, an export ban in the provinces up-river could disrupt long-distance trade.

Grain smuggling existed during blockades, but only on a small scale unless powerful local families and officials protected the smugglers. Many officials refused to help smugglers because they dared not undermine their provincial governor's policy. If an official allowed smuggling, he had to be prepared to openly confront his governor, as happened in the 1708 case discussed above. In the sixth lunar month, after the Governor of Hunan, Zhao Shenqiao, halted grain export from Hunan, Provincial Administration Commissioner Dong Zhaozuo, though subordinate to him, secretly allowed a number of merchants' grain

³⁶ *Kangxichao hanwen zhupi zouzhe huibian*, vol. 2, p. 40 (KX 47.5.18), p. 48 (KX 47.5.25), p. 59 (KX 47.5), p. 102 (KX 47.6), p. 127 (KX 47.7), p. 156-9 (KX 47.8.10), p. 182 (KX 47.9.19). See also *Shengzu shilu*, 232/4a-b (KX 47).

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boats to leave Hunan. In revenge Zhao issued a public proclamation that the poor could buy rice at a discount from the Provincial Administrative Commissioner's office; and a mob went to Dong's *yamen* demanding reduced-price sales.³⁷ This event must have damaged Dong's reputation; immediately afterwards he was removed from office. So although it was legal to do so, few officials would have helped grain merchants if it meant going against the governor of their province.

It is not clear when Hunan and Hubei relaxed the export ban, but they must have done so by the sixth lunar month of the following year. On the first of that month, Zhao Shenqiao wrote that rice boats had been leaving Hunan one at a time for the lower Yangzi.³⁸ He had probably permitted grain to be exported again because the famine had ended. Two months earlier, the price of rice in Jiangning had already returned to normal.³⁹ Since the demand for rice from the lower Yangzi had been greatly reduced, there was no more need for the ban. Furthermore, at the end of the fifth lunar month the Kangxi emperor had issued an edict to the Governors of Hunan and Hubei, reminding them to allow grain boats to depart from their provinces, so as to guarantee the food supply in Jiangsu and Zhejiang.⁴⁰

An edict from the throne was the most effective way of breaking a provincial blockade. Like the Kangxi emperor, the Yongzheng emperor stressed the importance of the free circulation

³⁷ Although Dong had permitted grain boats to leave Changsha, he had broken no law. Allowing grain boats to go to famine-stricken provinces went along with the notion of free circulation of grain the court favoured. But Zhao took offense, regarding Dong's actions as a criticism of his own policy. Zhao's revenge backfired. The Provincial Administration Commissioner encouraged the mob in his *yamen* to get rice from the county magistrate in charge of the local ever-normal granary. When the mob stormed the magistrate's office the magistrate escaped and rushed into the Governor's office. The mob followed him, damaging the office. The Governor finally persuaded them to leave by ordering the granaries to open immediately. See *Zhao Gongyigong [Shenqiao] tenggao* (1892; repr. Taipei: Wenhai chubanshe, 1975), 16b/30a.

³⁸ *Kangxichao hanwen zhupi zouzhe huibian*, vol. 2, p. 470 (KX 48.6.1).

³⁹ *ibid.*, p. 395 (KX 48.4.2).

⁴⁰ *ibid.*, p. 470 (KX 48.6.1).

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of grain. In 1723, shortly after succeeding to the throne, he rebuked the Governor-general of Hunan and Hubei, Yang Zongren, for blocking the grain trade at Hankou.⁴¹ He said:

Rice and salt are the daily necessities of the commoner. You should let traders put them into circulation. In this way, prices will be normalized and people will not suffer... [However,] you disregard the wider interest (*bu'an datì*) and disappoint my trust in you.⁴²

The Yongzheng emperor ended by ordering Yang Zongren to reopen the Hankou grain trade immediately.⁴³ The imperial edict assured the free flow of rice along the Yangzi from 1724 to 1727, during a severe rice shortage in the delta. As a result, the long-distance rice trade became extremely prosperous in the Yangzi during this period (see Chapter Four, above).

But imperial edicts against export bans were not always forthcoming. In 1732 both the Hubei and Hunan provincial governments, panicked by skyrocketing grain prices, banned the export of grain to the lower Yangzi. In the second lunar month of 1732, Maizhu, Governor-general of Hunan and Hubei, wrote that to make sure that grain did not vanish from Hubei, he planned to halt all kinds of boats carrying rice, and prevent them from leaving Hankou.⁴⁴ In the twelfth lunar month of the same year, to stabilize rice prices in Changsha, Hunan Governor Zhao Hong'en also prohibited grain exports.⁴⁵ The embargo in these two provinces paralyzed commercial grain transport between the middle and lower Yangzi in 1732; but this time the Yongzheng emperor did not order the ban to be lifted.

Without pressure from the throne, the lower Yangzi could only import rice from Hubei and Hunan in times of embargo by an inter-provincial grain transfer through the ever-normal granaries.

⁴¹ It is not clear when in 1723 the ban was imposed, but according to a memorial it was blocked in the tenth lunar month. See *GZD-YZ*, vol. 1, p. 910 (YZ 1.10).

⁴² [*Yongzheng*] *Zhupi yuzhi*, 2/38a-b (YZ 1.10.16).

⁴³ *ibid.*

⁴⁴ *GZD-YZ*, vol. 19, p. 482 (YZ 10.2.22).

⁴⁵ *ibid.*, vol. 20, p. 877 (YZ 10.12.4).

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Yamamoto Susumu pointed out that the inter-provincial grain transfer was used to get government grain moving between provinces as early as 1689, and became more common in the 1720s.⁴⁶ Its impact was more significant in 1732 when free trade had ground to a halt. While forbidding grain to leave Hubei and Hunan, both Maizhu and Zhao Hong'en agreed that the Jiangsu provincial government, with advance notice, could send official buyers to the two provinces to purchase rice directly from ever-normal granaries at a price negotiated among themselves. Zhao did not state how much grain the Hunan government could transfer to Jiangsu, but Maizhu indicated that the Hubei government was prepared to transfer 100,000 to 200,000 *shi* of rice.⁴⁷ These amounts were obviously small scale, but they were all to be delivered to the Jiangsu government from the middle Yangzi.

Since imperial intervention could affect the free circulation of grain, as it did in the 1720s and 1730s, the question has to be asked how this intervention was exercised. Imperial policies on grain, as we will see below, were intertwined with other policies, and were even dependent upon an emperor's whims.

In 1731 fighting between government troops and tribes in southwest China had intensified. The court had ordered Sichuan province to supply grain to the military. This gave the province good grounds for a local export ban on grain, to avoid speculation and a grain shortage. When Hunan and Hubei complained of a shortfall of grain because of the Sichuan ban, the emperor allowed them to impose similar export bans in their own provinces, albeit only temporarily. In 1733, when Qing troops had overcome resistance in the southwest, the emperor ordered Sichuan to lift the ban immediately.⁴⁸ Once Sichuan reopened trade, Hunan and

⁴⁶ According to Yamamoto, the inter-provincial grain transfer was viable in the 1720s because rice-producing provinces, owing to the encouragement of the Yongzheng emperor, had stored sizable amounts of grain in their ever-normal granaries. See his "Shindai zenki no heiseri seisaku".

⁴⁷ *GZD-YZ*, vol. 19, p. 482 (YZ 10.2.22).

⁴⁸ *Shizu shilu*, 127/1b-2a (YZ 11.1).

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Hubei lifted their bans.⁴⁹ Within the first six months of 1734, five million *shi* of rice were transported from Hankou to the lower Yangzi provinces.⁵⁰

When the Qianlong emperor came to the throne, he continued his father's practice of ordering local officials to allow grain to move freely whenever a famine occurred, but such efforts were awkward to enforce.⁵¹ In 1739, realizing that Zhejiang, Jiangsu, and Anhui had reaped poor harvests, the Qianlong emperor transmitted a decree to Hunan and Hubei, reminding these two rice-producing provinces not to block grain transport.⁵² In 1748, in response to a complaint about many rice-producing districts along the Yangzi valley, the Board of Revenue ordered all officials in the valley immediately to remove all barriers to trade.⁵³ When Zhejiang had grain shortages in 1751, the emperor "reminded" the Jiangsu provincial government to permit grain boats to leave for Zhejiang.⁵⁴ In 1755 the lower Yangzi had poor harvests again, and, after receiving a report that grain flows had been halted, the emperor decreed that the governments of Sichuan, Hubei, Hunan, and Jiangxi immediately lift their export bans. The tone of the decrees indicated his anger.⁵⁵ In 1778, he reprimanded the Governor-general of Hunan and Hubei and the Governor of Hubei for the ban in Hankou.⁵⁶ In the great famine of 1785, the emperor had to repeatedly demand a free flow of rice along the Yangzi River. That year the lower Yangzi, in addition to Hunan

⁴⁹ *GZD-YZ*, vol. 21, p. 115 (YZ 11.2.10).

⁵⁰ [*Yongzheng*] *Zhupi yuzhi*, 54/86b (YZ 12.7.8).

⁵¹ In 1737, the second year of his reign, the central government proclaimed a penalty for provincial officials who interfered with the free flow of grain. Punishments ranged from a salary cuts to demotions. See *Gaozong shilu*, 49/2b-3a (QL 2.9). These punishments, however, were rarely applied.

⁵² *Gaozong shilu*, 82/4b-5a (QL 3.12).

⁵³ *Zhupi zouzhe*, microfilm, reel no. 56, pp. 1079-80 (QL 13.5.4);

Gaozong shilu, 314/12b (QL 13.5), 314/36b (QL 13.5).

⁵⁴ *Gaozong shilu*, 395/28a-b (QL 16.7); see also *GZD-QL*, vol. 1, p. 466 (QL 16.8.21).

⁵⁵ *GZD-QL*, vol. 13, p. 71 (QL 20.11.23); *Gaozong shilu*, 502/10a-b (QL 20.12).

⁵⁶ *GZD-QL*, vol. 44, pp. 383-5 (QL 43.7.29).

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and Hubei, suffered serious drought. Along the valley, Sichuan and Jiangxi became the major rice-supplying provinces. In the eighth and ninth lunar months alone, the emperor sent at least six decrees to different governors in the Yangzi, demanding a free grain trade.⁵⁷

Though clumsy, these repeated imperial decrees managed to maintain free inter-provincial grain circulation in each major famine year of the Qianlong reign. In the famine year 1785, for example, with close surveillance from the throne, the grain trade flourished. Within the eighth and ninth lunar months, Jiangxi exported a total of 98,400 *shi* of rice to Hubei and 147,000 *shi* of rice to the lower Yangzi.⁵⁸ Sichuan's export was even more substantial. According to a memorial in the middle of the ninth lunar month, around seven or eight boats, each carrying 400 to 500 *shi* of rice, left the province for downriver every day.⁵⁹

While the edicts of the Qianlong emperor were effective, there was no unified institution to guarantee the free flow of grain. Local officials always wanted to hold onto their grain, especially in famine years. The central government had to be vigilant, ordering the removal of such trade barriers whenever they were imposed.

The effectiveness of the emperor's ad hoc measures, of course, depended on the authority of the central government. In the eighteenth century the powerful Kangxi, Yongzheng, and Qianlong emperors maintained a free grain flow within the Qing Empire. The prosperity of the inter-provincial rice trade along the Yangzi valley was a result of this vigorous imperial intervention.

⁵⁷ *Gaozong shilu*, 1236/29a-30b (QL 50.8); 1237/13a-14b (QL 50.8), 1237/21a-b (QL 50.8); 1238/19a-20b (QL 50.9); 1239/11a-12a (QL 50.9); *Zhupi zouzhe*, microfilm, reel no. 57, pp. 3078-82 (QL 50.9.13).

⁵⁸ *Lufu zouzhe*, microfilm, reel no. 51, pp. 1592-3 (QL 50.10.13).

⁵⁹ *Zhupi zouzhe*, microfilm, reel no. 57, pp. 3083-4 (QL 50.9.16). Further evidence indicates that Sichuan exported more than 610,000 *shi* of rice to other provinces in the second half of 1785. See *Lufu zouzhe*, microfilm, reel no. 51, pp. 1681-3 (QL 50.12.11); *Zhupi zouzhe*, microfilm, reel no. 57, pp. 3182-4 (QL 5.12.11), pp. 3207-9 (QL 51.1.19).

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Conclusion

It is common for historians to view economic development in the Qing as a battle between market forces and state intervention. This is not groundless. In the great surge of market growth, the early Qing government put the lofty Confucian ideal of “nourish the people” into action, disallowing grain hoarding and establishing an empire-wide granary system. Through reduced-price sales, the government intended to relieve its people from violent price fluctuations.

Although the reduced-price sale was a social service, its management followed market operation. In the Qianlong period, local officials were allowed to sell the grain for only slightly below market price, to guarantee that they could buy back the same amount of replacement grain with the proceeds. The general public saved so little money at the reduced-price sales that the inconvenience of buying rice through the official bureaucracy was not worth the savings. Some of the government grain flowed to consumers through rice merchants, who were the only people who could afford to buy in bulk and in this way realize a savings, and who then made a profit from re-selling the grain. It is not surprising that Gao Wangling, reviewing the ever-normal granary administration, concluded that state intervention in the food market had failed utterly.⁶⁰

But, as Karl Polanyi stressed, long-distance trade did not occur naturally, and was hardly possible without state intervention.⁶¹ In the Qing, state intervention was instrumental in the functioning of the long-distance grain trade. Provincial governments, especially in the middle reaches of the Yangzi valley, were inclined to hold onto their grain, keeping their own regional grain prices low with export bans. But as long as the central government was powerful enough to implement it, the free flow of grain was maintained.

⁶⁰ Gao Wangling, *Huo zhe de chuantong: Shiba shiji Zhongguo de jingji fazhan he zhengfu zhengce* (Beijing: Zhongguo shehui kexue chubanshe, 1995), pp. 157-64.

⁶¹ Polanyi, *The Great Transformation*, pp. 60-3.