THE SALT MERCHANTS OF YANG-CHOU: A STUDY OF COMMERCIAL CAPITALISM IN EIGHTEENTH-CENTURY CHINA *

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During the eighteenth century, those salt merchants who maintained their headquarters in Yang-chou 揚州 and whose sphere of business extended to the greater part of east-central China were undoubtedly China’s capitalists par excellence. Prior to the coming into prominence of the Co-hong merchants of Canton during the first half of the nineteenth century, the salt merchants of Yang-chou boasted of some large individual fortunes and certainly the largest aggregate capital possessed by any single commercial or industrial group in the empire. Like the Co-hong merchants, they owed their wealth and power to the monopoly which was granted to them by the government. Unlike the Co-hong merchants, however, their wealth was derived strictly from domestic trade and they were completely uninfluenced by European trading methods. For this reason, the salt merchants of Yang-chou offer us an interesting case study of commercial capitalism in its most indigenous form. It is the aim of this article to discuss briefly the organization of the salt trade, with a view to ascertaining the number of the salt merchants; to estimate their profits and sizes of fortunes; to study their mode of life, cultural expressions and social mobility; and to explain the reasons why despite the existence of commercial capital on a significant scale they failed to develop a full-fledged capitalistic system. It is hoped that this study, although confined to one particular group of merchants, may incidentally throw some light on commercial capitalism in general in the China of the pre-treaty port days.

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I

The Ch'ing empire was divided, for the purpose of salt administration, into eleven areas. The Liang-huai 盧淮 Salt Administration, with its head offices in Yang-chou at the junction between the Yangtze river and the Grand Canal, easily outstripped all other areas in production, sale and revenue. Literally, Liang-huai means the regions north and south of the Huai river; geographically, it included the whole province of Kiangsu except four prefectures south of the Yangtze, by far the greater part of Anhui, the whole of Kiangsi except the southernmost districts, southeastern Honan, and practically the whole of Hupei and Hunan. This huge area was densely populated in most parts and possessed a network of rivers, lakes and canals unrivalled elsewhere in the empire. Up to 1891, when the merchant monopoly was abolished, the whole Administration was headed by a salt censor, whose title was changed to that of the chief salt commissioner in the 1780's. This highly lucrative post was, as a rule, filled by a Manchu from the Imperial Household Department. Under him were the salt commissioner, salt intendant, and an army of deputy and assistant salt commissioners, inspectors, treasury keepers, salt receivers, examiners, watchers and clerks. By the early nineteenth century, the clerks filled nineteen rooms \(^1\) in the salt commissioner's office alone.

The salt trade was organized in two divisions, production and distribution. On the production side there were, at the beginning of the Ch'ing period, thirty ch'ang 場, or "factories." Each factory consisted of a group of salines. By "factory" is meant the head establishment to which, as appanages, belonged a number of small manufacturing works, or salterns 茶壩. Each saltern was surrounded by salt ponds and salt fields which yielded the raw brine, or saliferous earth. From the brine, salt was extracted, either by sun evaporation, as in the factories north of the Huai river, or by lixiviation, as in the southern factories. South of the river, the

\(^1\) T'ao Chu 陶澍, 『T'ao Fan-ting hsien-sheng tsou-chu』陶雲汀先生奏疏, preface dated 1826, but the collection contains memorials of later dates; 30.25b; hereafter to be referred to as T'ao's Memorials.
salterns usually had attached tracts of marshes which supplied
the straw, the common fuel used in boiling the brine. The number
of factories was gradually reduced through amalgamation until
there were twenty-three during the late eighteenth century.²
North of the river, there were only three factories, but their out-
put was considerable. The twenty or so southern factories varied
greatly in size and in production.

Nominally each tsao-hu 簽戶, or “salt master,” was the owner
of the saltern and the salt fields and marshes, if any, attached to it.
The Ming government clearly defined his property rights and
obligations as to tax payments and production. In theory, there-
fore, he should be a small but substantial man and his occupation
should be hereditary. In the course of time, this little planned
society was invaded by forces of capitalism. The resourceful
ch’ang-shang 場商, or “factory merchants,” from time to time,
bought the properties of the bankrupt tsao-hu or erected their
own salterns. They hired their own salt workers and possibly
also some of the displaced tsao-hu. Since the founding of the
Ch’ing dynasty at least, the process whereby factory merchants
came to own salt fields and other means of salt production had
been going on apace.³ At times they even encroached upon the
marshes and the waste. In 1755, the governor of Kiangsu, in a
memorial suggesting that the 800,081 mu of reclaimed land should
be allotted to the real rather than the nominal owners, stated
that among eleven factories under the jurisdiction of the T’ai-
chou Division 泰州分司 only seven remained the property of the
tsao-hu. In three other factories, the property retained by the
tsao-hu amounted to only one-tenth and, in another, all except
one saltern had become the property of the factory merchants.⁴
By 1880, Governor-General T’ao Chu, who was responsible for
the drastic reform of the Salt Administration, estimated that the
tsao-hu and factory merchants each owned about fifty per cent
of the properties.⁵

² Liang-huai yen-ja chih 隋淮鹽法志, 1806 ed., 27.9b-10a; hereafter to be referred
to as LIYFC.
⁵ T’ao’s Memorials 50.48a.
The real moving spirit behind salt production was the factory merchant. Originally his function was only to buy salt from independent owner-manufacturers and to sell it to salt distributors. Later, of course, some factory merchants became also owners of the whole or substantial parts of the estates and were, therefore, large-scale producers. It would be much easier to estimate the fortunes and aggregate profits of the factory merchants if we knew exactly how many of them there were. This information is lacking. The difficulty is further enhanced by a confusion of terminology, as some modern works treat *ch’ang-shang* and *yüan-shang* as identical terms. The *yüan* literally means a “storehouse” or “depot,” either jointly owned by the *tsao-hu* and merchants or erected by the government. True, in cases of one or two smallest factories which had only one depot, the *ch’ang-shang* and *yüan-shang* tended to be the same person. However, most of the factories had a number of depots and the largest factory during the first half of the eighteenth century had as many as 132. This is why the famous historian Wei Yuan 魏源 (1794-1856), who assisted T’ao Chu in the reform of 1851, viewed *ch’ang-shang* as large capitalists and *yüan-shang* as small-scale merchants sharing profit with the *tsao-hu*. The Chinese Maritime Customs, in its authoritative survey of salt production, says: “Each *ch’ang* has its own owner or manager, the *ch’ang-shang* (場商), and each salt work its master salt maker, the *tsao-hu* (竈戶).” In describing the categories of persons engaging in the production of salt in the Liang-huai area, the survey confirms Wei Yuan’s statement by lumping *tsao-hu* and *yüan-shang* as “joint concern,” while treating the *ch’ang-shang* as distinctive “wholesale dealers.” The function of the *yüan-shang* is made emphatically clear when it further explains: “When the salt is manufactured by the *tsao-hu*,

*Ch’ing* 清 *yen-fa chih*, 1910 ed., 168.1a.

*LHYFC*, 1748 ed. and 1806 ed. both give the list of government storehouses 公 堰, but in addition to government storehouses there are *yüan* without further explanation. In the case of the Lin-hsing 隰興 “factory,” for example, there are 12 such *yüan* in addition to 10 government *yüan*. Obviously such unspecified *yüan* were owned by *tsao-hu* and merchants.


*Salt: Production and Taxation* (Chinese Maritime Customs papers no. 81, 1908, Shanghai) 160.
it is stored in their depot (垣商)."  

Although this survey was made in 1908, it nonetheless throws important light on our subject, for the 1831 and subsequent reforms, although tightening government control over the price of factory salt, did not materially affect the organization of salt production and was mainly concerned with the methods of salt distribution.

Since each factory had its own owner or manager, our hypothesis is that during the early Ch'ing period there were approximately thirty factory merchants. Whether the number of factory merchants was later reduced with the closure or amalgamation of seven factories cannot be settled. The workability of this hypothesis is strengthened when the organization of production is compared with that of distribution. On the distribution side, as will be seen, out of a few hundred merchants only thirty were appointed by the Salt Administration to supervise the general sale and to be held answerable for the conduct of the whole merchant body. It seems natural that the government, for reasons of effective control over salt production, should entrust thirty factory merchants, one for each factory, with similar power of supervision over a larger number of yüan-shang and rather numerous tsao-hu. Is it not possible, one may ask, that the reason for appointing thirty—not more and not less—head merchants to supervise distribution was to match the number of merchants who supervised the production of the thirty factories?

The factory merchant necessarily had to be a man of large capital. If he was the owner of salt field and salterns, he had to pay, in addition to his capital outlay, the tsao-hu with ready cash for the salt delivered to the factory on completion of a heap. The relationship between him and the tsao-hu was, therefore, the one between capitalist employer and wage-earners. If he was only the manager of the factory, he had to have enough cash to buy all the salt produced within the factory area and sometimes to finance those nominally independent owner-manufacturers. This was because the majority of the tsao-hu were different from those small but substantial salt manufacturers of the early Ming times, as the more prosperous of them had long been disgruntled about the

\[^{16}\text{Op. cit., p. 125.}\]
hardships of their profession and managed to change their status, sometimes even by bribery. Thus, even when the factory merchant was not owner of the means of salt production, he still had ample opportunity to gain control over the tsao-hu in proportion to the amount he loaned to the latter. In this case, though the tsao-hu remained the legal owner, the factory merchant was admitted as a partner or joint-owner. Accordingly, the factory merchant was usually able to buy salt at a price more or less dictated by him. Only the minority of the surviving hardy and truly independent tsao-hu were in the position to reap the profit from the fluctuating prices. Wei Yuän estimated that between fifty and sixty per cent of the aggregate profit of salt production went to the factory merchants, while the yüan-shang and tsao-hu each shared about twenty per cent.

The salt thus produced and bought by the factory merchant usually remained stored for a year or more before he could realize his capital. In view of the perishable nature of salt, the factory merchant ran a considerable amount of risk until the salt was eventually sold to the transport merchants. The tsao-hu, on the other hand, whether small independent owner-manufacturers or hired hands of the factory merchant, had no such risk and received a relatively small but quick return. The factory merchant, after receiving a call from the main office of the Salt Administration, conveyed the salt to Yang-chou, where the salt finally passed into the hands of the transport merchants at a price mutually agreed upon.

As to the organization of salt distribution, the Ch'ing system was a continuation of the late Ming practice. During the early Ming period no salt monopoly had been granted to merchants. The government, in order to strengthen national defence at little cost to itself, had ruled that merchants who wished to engage in the salt business must transport grain to the frontier posts in exchange for government-issued salt tickets, known as yin-p'iao 引票 or yin-ch'üan 引劵, yin being the standard unit of weight

12 Ku-wei-t'ang wei-chi 7.17b-18a.
for salt. Merchants who held such tickets received government-monopolized salt in the interior. They then sold the salt to the inland salt distributors. To save trouble and cost of transporting grain to the northern frontier, the merchants hired the native poor as agricultural laborers and organized the so-called shang-t'un 商屯, or "commercial colonization." The system had worked well until the last quarter of the fifteenth century, when the financial exigency and the general trend of fiscal policy made it desirable that the frontier grain be commuted into silver. Upon payment of cash, the frontier merchants were given the salt tickets at a new rate which was favorable to the government. The break-up of the grain-salt exchange system ushered in a period of transition and confusion in salt administration during which the frontier merchants abandoned their northern colonizing posts and became salt merchants of the interior provinces, particularly of the Liang-huai area, where the incomparable waterways made the salt trade most lucrative.

In the years 1614-17, the government finally instituted in the Liang-huai area the famous kung 網 system, kung referring to the salt-conveying flotilla. The system fixed the total annual quota for the salt to be distributed in the Liang-huai area, which was divided into a number of kung, or shipments. The right to sell salt was farmed out to those merchants who were financially able to pay the salt gabelle in advance. The names of the successful bidders were then entered in the official shipment-register 網册. The right to sell salt, being an inalienable one, was commonly called ken-wo 根窩, literally "rooted nest." This system worked in the Liang-huai area until its abolition by T'ao Chu in 1881.


14 Fuzi Hiroshi 藤井宏, "A Study of the Salt Merchants of the Ming Period" 明代鹽商の一考察, Shigaku-zasshi 史學雑誌, Vol. 54, Nos. 5-6.
Although only the owners of ken-wo, whose position in the salt trade resembled that of the landlord in agriculture, theoretically had the right to sell salt, in the course of time, there arose a group of salt merchants holding what may be called the leases on ken-wo, usually for a term of one to five years. Owing to the rapid growth of population and to the highly profitable nature of the Liang-huai salt business, the annual value of ken-wo had been steadily rising since the opening of the Ch'ing period. Between the middle of the seventeenth century and 1740, a year in which the government made an intensive investigation into the Liang-huai Salt Administration, the annual value of ken-wo had increased from .5 or .6 of a tael per yin to 1.6, 2, or in some places, 2.5 taels per yin. Although during this period the weight of yin had nearly doubled itself, the rate of increase in the annual value of ken-wo had been alarming. Moreover, in Yang-chou a sort of exchange was set up by brokers who openly speculated on the annual value of ken-wo. Since the high price of ken-wo contributed directly to the high price of salt, the governor of Kiangsu, to protect the consuming public, memorialized for its regulation. Consequently, the annual price of ken-wo was fixed at one tael per yin and was made uniform throughout the Liang-huai area. In his memorial, the governor estimated that, in 1740, about one-half of the transport merchants were owners of ken-wo and that the other half were leaseholders. The ratio between the owners and leaseholders remained little changed until 1831.

Up to 1831, the Liang-huai Salt Administration appointed thirty tsung-shang 总商, or head merchants, to supervise the san-shang 散商, or “small merchants.” Both the head and “small” merchants were collectively referred to as yun-shang 云商, or transport merchants. The head merchants were those who had the largest shares in the salt business and could be held responsible for arrears in tax payment. For this reason the “small” merchants were usually required to trade under the names of the head merchants. During the late seventeenth and early eighteenth centuries, it was the practice of the Salt Administration to select

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12 LHYFC, 1748 ed. 10:56b-65b.
10 Chou Chi, op. cit., p. 15a-16b.
as the *ta-tsung* 大總, or "merchant chiefs," a few, usually less than five, head merchants who were well-versed in fiscal matters. This little group of merchant chiefs and head merchants formed a powerful ruling clique among the merchant ranks. So scandalous was their behavior that it led a deputy-president of the Board of Revenue to demand their abolition in 1724.17 Although the appointment of merchant chiefs was prohibited after that year, the thirty head merchants remained the controlling group until 1831.18

The "small" merchants were so-called because their shares in the salt business were relatively smaller than those of the head merchants. In fact, they were mostly men of substantial means. In order to estimate the aggregate profit and capital of the whole merchant body, it is necessary that their number be fairly accurately known. Our difficulties in dealing with numbers and units in Chinese economic history are so notorious that we have lately been warned in a most instructive article always to distinguish the real from the pseudo-numbers.19 Unlike the material relating to the factory merchants and *yüan-shang* which is scant in itself, the references to the number of transport merchants are fairly numerous. The governor-general T'ao Chu, to name one of them, stated in his memorial of January, 1831: "Formerly, the [salt] merchants of Liang-huai numbered several hundred families. Owing to business adversities of late, there remain now only several tens of them."20 Li Ch'eng 李澄, a native of Yang-chou well versed in the salt business, in his often-quoted handbook on the Liang-huai Salt Administration published in 1823, said: 21

... During the period of prosperity Liang-huai had several hundred families of transport merchants actually engaging in the business. Their aggregate capital and resources were more than the smugglers could cope with. The salt was, therefore, easily sold and there was no glut on the market. At the present time, however, the merchants actually engaging in the business are less than half of former times and those who have been in difficulties are retiring in

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17 *LHYFC*, 1748 ed. 12.2b-5a.
18 Ch'ing Hsüan-tsung shih-lu 清宣宗實錄, 182.13a-15b, February 3, 1891.
20 Tao's Memorials 90.1a.
21 Li Ch'eng, *Huai-tao pei-yao* 淮駕備要, 1823 ed. 8.1a.
increasing number. ... It would be extremely difficult for several tens of such half-empty and half-substantial merchants annually to distribute more than one million yin of salt.

So much for the pseudo-numbers.

The governor of Kiangsu, in his lengthy report on the Liang-huai Salt Administration in 1740, yields a different clue. He stated that usually there was one merchant for every small district and that there were several for a large district.22 This statement, though useful, may be misleading if we do not know the inner working of the system of salt distribution. If this statement should be accepted without question as a guide in estimating the number of merchants, the total number of transport merchants must have been considerably more than the total number of districts under the jurisdiction of the Liang-huai Salt Administration, which stood at 279 during the eighteenth century.23 The governor's statement ought to be studied together with the administrative order of Kao Heng 高恒, the chief salt commissioner, 1757-1765: 24

Be it known that each chou州 or hsien縣 south of the Huai river should consume a certain quota of the yin-salt in proportion to its size of population. With the exception of Kiangsi and Hukuang [i.e., Hupeh and Hunan], which are public ports 公口岸 open to all merchants, as the salt for Kiangsi is shipped to its provincial capital and the salt for Hukuang is shipped to Hankow to be disposed of to various local retailers, in the rest of districts ... each has its own designated 匹 merchant [or merchants].

22 *LHYC*, 1748 ed. 10.19b.
24 The four pen 本 of Kao's administrative orders are in the possession of the Chinese and Japanese Library of Columbia University. Neither authorship nor date of publication is given. Although they are put together under the title *Huai-pei tso-cheng 淮北鹽政*, it is obviously the invention of the bookseller, as these documents neither deal exclusively with matters relating to the region north of the Huai river nor do they have a title. From the preface and the contents we know that they are a selection of Kao's administrative orders covering the period 1757-1765, hereafter referred to as Kao's *Documents*. The above quotation is from 3.69a. Among the early nineteenth century writers, Pa'o Shih-ch'en 包世臣 (1775-1855) understood better the inner working of the system of distribution. He said in his *An-wei shu-chung 安吳四種*, 1846 ed. 7.8a: "Under the Liang-huai Salt Administration, Kiangsi and Hukuang were considered as remote provinces. The salt for these provinces was formerly assembled in Nanch'ang and Hankow, where it was purchased with cash by retailers of various districts and it was then sold to the consuming public."
These three provinces, as is commonly known, were the main markets for the Liang-huai salt. They had 173 districts under the jurisdiction of the Liang-huai Salt Administration and they accounted for 1,074,400 out of a total official quota of 1,685,492 yin for the entire Liang-huai area. Since nearly two-thirds of the salt quota was shipped only to the main ports of these provinces, and nearly two-thirds of the 279 districts had local retailers only, the total number of transport merchants, even estimated according to the principle stated by the governor of Kiangsu, could not have been a very large one.

Among the contemporary writers on the Liang-huai salt business, only Wang Hsi-sun 汪喜孫 (1786-1847), a member of a family with incomparable knowledge of Yang-chou, made a series of more specific statements as to the number of transport merchants. When his various references are examined and combined, we get an impression that during the period of prosperity there were between 140 and 150 “small” merchants in the area south of the Huai river.25 He was the son of Wang Chung 汪中 (1745-1794), who had that which is rare among traditional Chinese scholars, a keen sense for numbers and units.26 This fact, together with his first-hand knowledge of local conditions, makes him more trustworthy than other writers. But what makes him more acceptable is that his figures, when properly interpreted, can be reconciled with those more or less responsible pseudo-numbers. In the Chinese language, as is well known, the word “several” 敷 may mean anything from two upward to eight or nine. The expression “several” hundred, therefore, may mean just two hundred. When the inner working of the system of salt distribution is understood, and when the probable number of merchants of the relatively small area north of the Huai river is added to Wang’s figure, we get two hundred as the total for the “small”

25 This summarized statement is based on three essays in Wang’s Tsung-cheng lu 從政錄 in Chiang-i Ch’ang-shih ts’ung-shu 江都汪氏叢書, 1025 ed., 2 passim. The three essays are: “姚司馬德政圖序” “鹽法利弊論,” and “戶部時事策十三條”.
26 Yang, op. cit., p. 218. It should be pointed out here that Wang Chung died when Wang Hsi-sun was a mere child, but the son later edited Wang Chung’s work and could not fail to have been impressed by his father’s inquisitiveness about numbers and units.
merchants. The sum-total for the Liang-huai transport merchants, including both head and “small” merchants, should not be far from 230.

In connection with the organization of salt distribution, one aspect which has not been clearly understood by modern students must be briefly explained. With the exception of the designated ports which were, as a rule, reserved for the designated merchants, the provinces Hupei, Hunan and Kiangsi were made into a “free-trading” area, open to all transport merchants. Since these three provinces consumed about two-thirds of the total salt quota of the entire Liang-huai area, the participation of both “small” and head merchants was required. Moreover, because there were districts and prefectures within these provinces where salt sold easily and those where the salt quota had to compete with cheaper salt smuggled from other areas, the Liang-huai Salt Administration ruled that any merchant conveying salt to these provinces must ship three-tenths of his salt to Kiangsi and seven-tenths to Hupei and Hunan. This ratio might not be changed. Like the mixed strip system on the medieval open field, the basic idea underlying the distribution of Liang-huai salt was fairness. Up to the early 1760's cases of clever evasion of this regulation had been known, but in 1764 the Administration made it more rigid by requiring the merchants to register the port of destination on every kea-wo certificate.\textsuperscript{57}

To sum up, the influence of capital was felt in both production and distribution and in the organization of the salt trade. While some thirty factory merchants predominated in production, the thirty head merchants exerted powerful control over distribution and sale. The situation during the first hundred and fifty years of the Ch'ing period certainly did not favor the small men. In production, the factory merchants took every opportunity to become owners of salt fields and salterns or to establish a virtual joint-ownership through loan and investment. Between 1644 and 1800 the number of salterns owned by the tsao-hu had dwindled by about one-half. In distribution, the head merchants, in addition to their larger shares of business, were able to charge high

\textsuperscript{57} The only source of systematic information is Kao's Documents, S. passim.
rates of interest on the capital which they loaned to the "small" merchants. For all the power of capital, however, the conditions congenial to the development of a full-fledged capitalism did not exist. In salt production, for example, however able and ruthless a factory merchant might be, he could not limitless expand his sphere of business at the expense of others, for each of them owed his position to government recognition. In salt distribution, the system of designated ports and fixed ratios for salt destined to the "free-trading" area made it difficult for the most enterprising merchants to expand their volume of trade substantially, at least under normal circumstances. The organization of the salt trade allowed little room for competition and rationalization. In fact, one may ask whether such ideas of competition and rationalization had ever occurred to the merchants. For, in theory at least, the interventionist state always upheld tradition and protected the vested interests of all salt merchants. Individual fortunes might rise and fall owing to individual luck or folly, but the law ruled out the possibilities of ruthless competition among them. In the relative absence of opportunity for planning, the magnates among the merchants resorted to the practice of "squeeze." Thanks to their intimate relationship with the salt officials, they could appropriate, among other things, a large share of the hsia 長 fee, 20 that

39 Hsia literally means "a chest," and, therefore, "treasury." I am grateful to Professor Lien-cheng Yang for calling my attention to an old expression 拜匣, i.e., "a box containing visiting cards," a thing which was indispensable in making formal calls in traditional China. This well explains why it was also the duty of the merchant treasurers to entertain officials.

[An important use of hsia "boxes," including pai-hsia, was to contain documents for safekeeping or transmission. According to Sung shih 494.19b-20a, in the Southern Sung period, in order to summon people involved in a legal case, the circuit judicial authorities would send a hsia containing a writ to the prefecture or district concerned. When the local police returned the hsia with the summoned people to the circuit court, it was customary for court clerks to require a considerable fee from the local police before accepting the hsia. This corrupt practice hindered the prompt handling of many legal cases. When Sun Tzu-hsiu 孫子秀, chih-shih of 1899, served as the circuit judicial intendant of Western Chekiang, he prohibited the demand for such a fee. He also initiated the use of hsia-huan tsung-hsia 循環總匣 "circulating boxes or pouches" for daily transmission of reports, memoranda and other documents between his office and the prefectures under his jurisdiction. Apparently the hsia fee paid by salt merchants in the Ch'ing period was also to facilitate the transmission of documents and, of course, to cultivate friendly relationship with the officials in general. L.S.Y.]
is, a group of expenses incurred in entertaining officials and sundry contributions to local administration, which was paid out of the common treasury of the entire merchant body. The hsia fee, handled exclusively by a few merchant treasurers in Hankow, Kiangsi and Yang-chou who were either head merchants or their trusted agents, was never strictly audited, and its burden was invariably shifted to the entire group of transport merchants. The organization of the salt trade, therefore, encouraged corruption which eventually led to its drastic overhaul in 1831.

II

Before estimating their average annual aggregate profit and sizes of their fortunes, a few words should be said about the origins of the Liang-huai salt merchants. It has been pointed out that the grain-salt exchange system broke up during the last quarter of the fifteenth century. An important consequence was that the frontier merchants, mostly natives of Shansi and Shensi, migrated en masse to the Liang-huai area, where they were joined by another group of merchants from Hui-chou 新州 of southern Anhui. After the salt trade had been thrown open, the Liang-huai area, with its unique waterways, afforded new opportunities to these two groups of merchants who, because of the niggardliness of their native soils, had long been trading throughout the empire and gained notoriety for their hard-working and frugal habits. They were the ones with a large amount of capital, ready to reap the profit of the salt trade. The Ming scholar Hsien Chao-che 謝肇淛, chin-shih of 1602 and later governor of Kuangsi,2⁹ in his famous description of China, testified:2⁹

... The rich men of the empire in the regions south of the Yangtze are from Hsin-an 新安 [ancient name of Hui-chou], in the regions north of that river from Shansi. The great merchants of Hui-chou have made fisheries and salt their occupation and have amassed fortunes amounting to one million taels of silver. Others with a fortune of two or three hundred thousand can only rank as middle merchants. The Shansi merchants are engaged in salt, silk, reselling, or grain. Their wealth even exceeds that of the former. This

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2⁹ Ming-shih 明史 290.31a.
2⁹ Wu-ten-tsu 五雜俎, 1795 Japanese ed. 4.26b. This was a taboed book during the Ch'ing period.
is because the Hui-chou merchants are extravagant, but those of Shansi are frugal. In fact, people of Hui-chou are also extremely miserly as to food and clothing, . . . but with regard to concubines, prostitutes and lawsuits, they squander gold like dust.

Although a detailed history of these two important merchant groups remains to be written, so many of them had taken up residence in Yang-chou that the Wan-li 禄 (1573-1619) edition of the history of the prefecture of Yang-chou put it on record: “The natives are outnumbered by the immigrants one to twenty.” 31 As recently as 1831, these Hui-chou and Shansi-Shensi groups still largely monopolized the Liang-huai salt trade, but this does not mean that these merchant families were self-perpetuating, as the 1770 edition of the history of She-hsien 武進, the capital city of the prefecture of Hui-chou, rightly pointed out: “There were poor men’s sons of our district who had no capital whatever but who eventually became rich. There were also those who relied on their ancestors’ fortunes but who finally became so impoverished as to be unable to survive.” 32 The biographical material in the Liang-huai yen-fa chih confirms this generalization, although it is not easy to make a statistical statement as to the vicissitudes of the Hui-chou and Shansi-Shensi salt merchant families in Yang-chou during the late Ming and early Ch’ing periods.

In estimating the average total annual profit of the Liang-huai salt merchants, their total annual volume of trade must first be studied. Despite the phenomenal growth of population during the period 1644-1800, the total annual quota for the Liang-huai area only increased from 1,410,360 yin in 1645 to 1,685,492 yin in the late eighteenth century. 33 In reality, however, the total quota was nearly doubled in more than a century, for the weight of yin was increased from 200 catties at the beginning to practically 400 catties towards the end of the eighteenth century. During the late seventeenth and early eighteenth centuries the original yin of 200 catties was inflated either to allow for waste and loss, or to ameliorate merchants’ hardships during bad years, or simply to

31 Quoted in Fujin Hiroshi, op. cit., p. 628.
32 She-hsien chih 志, 1770 ed. 1.24a.
33 Ch’ing yen-fa chih, 110.1b; LHYFC, 1806 ed. 18.1a.
THE SALT MERCHANTS OF YANG-CHOU

bestow favor on any particular sub-group of salt merchants, with the result that the yin varied in weight from time to time and from place to place. In 1726 a law standardized the yin at 344 catties, which up to 1831 remained the legal yin—the basis for tax payments and official estimate of cost of salt. After 1751, the merchants were entitled to carry with each legal yin another twenty catties of tax-free salt.\footnote{LHYFC, 1806 ed. 11.30a-31a.} Toward the close of the eighteenth century the common practice was to add an extra thirty-six catties for waste and loss. This was why T'ao Chu in 1831 made 400 catties the standard weight for the new legal yin. By and large, during the greater part of the eighteenth century the Liang-huai merchants annually distributed at least 600,000,000 catties of salt to about a quarter of the entire population of the empire, which by 1800 was around 300,000,000.

Thanks to the 1748 edition of the Liang-huai yen-fa chih, which contains the most exhaustive official surveys on the cost of salt not given elsewhere,\footnote{This important edition of the LHYFC and Kao's Documents, which throw important light on the inner working of the system of salt distribution, cost of salt production and prices, do not seem to have been available to Japanese writers on the subject. The former work is also in the possession of Columbia University.} we are able to estimate fairly accurately the annual aggregate profit of the salt merchants. It is generally agreed that the second quarter of the eighteenth century was a period of important reform during which the standard of administrative efficiency and honesty was relatively high. This period is particularly famous for the rise of a group of high provincial officials who attempted to enforce the law seriously and who were comparatively incorruptible.\footnote{For an excellent general discussion of this period, cf., Fang Chao-ying's articles on Yin-chen (emperor Yung-cheng, 1723-1735) and Hung-li (emperor Chien-lung, 1736-1795) in A. W. Hummel, Eminent Chinese of the Ch'ing Period (Washington D.C., 1948-4).} In the realm of salt administration, the government also attempted certain reforms. Owing to a long series of rejoinders between the provincial authorities who were "sympathetic towards the people," and the high salt officials who were "partial to the merchants,"\footnote{Quoted words are from emperor Yung-cheng's edict of 1729. Cf. LHYFC, 1748 ed. 10.1a.} the Ch'ien-lung emperor

\footnote{LHYFC, 1806 ed. 11.30a-31a.}
thereupon took action in 1740 by appointing the governor of Kiangsu and the chief salt commissioner of Liang-huai to study jointly, item by item, the estimates of the cost of salt submitted by the previous governor of Hupei and the late chief salt commissioner. Their joint report of 1740, twenty double pages in length, is undoubtedly the most authoritative estimate ever made. Their final estimate must have been so close to the true cost that in the subsequent editions of the *Liang-huai yen-fa chih* their report was not reproduced, owing obviously to the fear on the part of the merchants, who financially contributed to the compilation of later editions, that its reproduction would make it impossible for them arbitrarily to raise the prices. The main findings of these two high officials may be summarized in the following table: **

<table>
<thead>
<tr>
<th>Estimate by previous Governor of Hupei</th>
<th>Estimate by previous Chief Salt Commissioner</th>
<th>Joint Estimate by Governor of Kiangsu and current Chief Salt Commissioner</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.49</td>
<td>7.139</td>
<td>(1) 4.395 (time of cheapness)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) 4.939 (time of dearth)</td>
</tr>
</tbody>
</table>

Undoubtedly, estimate B represented the wholesale price of salt in Hankow in the years immediately preceding 1740 and estimate C (1) was closest to the true cost. The difference between B and C (1) may, therefore, be taken as the profit per yin up to the fixing of the ceiling prices. The per yin profit during the late 1730's, or possibly over a longer period, was, therefore, 2.74 taels.

It seems that in the years immediately following the investigation of 1740, the wholesale prices of salt in Hankow were brought down, since the Board of Revenue, based largely on the 1740 estimate, fixed the ceiling price at .146 tael a package of 8.4 catties, or 6 taels per yin. ** Consequently, the per yin profit was reduced by more than one tael. It is extremely doubtful, however, that the 1740 ceiling price remained effective for very long.

** Based on *op. cit.* 10.40b-60b.

** *LHYFC*, 1806 ed. 24.22b-23a.
for by 1763 the wholesale prices in Hankow had risen to such unknown heights that the government had to raise the ceiling to .299 tael a package, or 11.88 taels per yin. The ceiling price for Kiangsi salt was .265 a package, or 10.865 taels per yin. It would appear, therefore, that for the greater part of these twenty-three intervening years, the wholesale prices, instead of being brought down, had been steadily rising. The last complete report on prices, with all their components, was that of 1788, when a yin of salt was sold in Hankow for 12.049 and in Kiangsi for 12.575 taels.

Simultaneous with the rise in the wholesale prices of salt, the cost was also increasing. It is almost certain that the margin of profit after 1750, or at any rate after 1763, was larger than that of the late 1730’s and early 1740’s. The increasing cost may be attributed to two factors, the rise in the price of salt produced and handled by the factory merchants and the increase of miscellaneous government charges and various semi-legitimate items spent on the officials. The price of factory salt in Yang-chou, as will be seen, increased by three taels per yin between 1740 and 1788. To estimate, even approximately, the increase of the latter group of expenses is well-nigh impossible, for the official compilations on the Liang-huai Salt Administration only give detailed lists of taxes and charges which were strictly official, while the Board of Revenue was interested only in the revenue which it actually received annually from the Salt Administration, which had not substantially changed throughout the latter half of the eighteenth century. The main increase was that of expenses and sundry contributions paid out of the common treasury of the merchant body, known as the hsia fee, a substantial part of which was generally appropriated by a few powerful merchants. This scandalous practice was connived at, and often encouraged, by the high salt officials who shared the fat bonus with these few merchants. In 1764, the chief salt commissioner Kao Heng reported in detail that the hsia fee for Hupei and Hunan as 181,075, for Kiangsi 60,863, taels. However, there is strong reason not to

\[\text{Kao’s Documents 2.39a-61b.}\]
accept these figures as the basis for comparison with later ones, for Kao's details were obviously designed as a vindication against the severe criticism levelled three years earlier by the Duke Fu Heng (d. 1770), the grand secretary and an able statesman. As such, Kao's figures included only items which were legitimate and his totals were undoubtedly much lower than the actual amount spent by the merchants. It was not until 1830-31, when the drastic overhaul of the Salt Administration was pending, that Tao Chu made his thorough investigation of these expenses. The result of his findings reveals that out of a total of some two million taels of such expenses, 1,100,000 must be regarded as strictly wasteful. The amount of these expenses actually incurred by the merchants during the second half of the eighteenth century should have been less than two million, although an exact statement is impossible. In any case, during the half century since 1740, the increase of the cost of salt which was due to the increase of legitimate taxes and charges and illegitimate expenses could not amount to more than one tael per yin. While the per yin cost on the average increased by four taels at the most, the wholesale prices rose from seven to over twelve taels between 1740 and 1788. A cautious estimate would put the average per yin profit for this period at three taels at the very least.

The above discussion has admittedly been confined to prices and profits of salt sold in the main markets of Hupei, Hunan and Kiangsi. As to the prices and profits of salt sold in the designated area and the area called shih-an, 賜岸, i.e., the area in the vicinity of the salt-producing districts, the documents yield very little information. However, in the latter case the wholesale prices were always kept considerably lower than those of the kang salt so as to make smuggling unprofitable. The lower prices in the vicinity of the salt-producing districts were mainly accounted for by lower taxes and charges and the whole area of shih-an consumed only 270,198 yin, or less than 17 per cent of the total quota.

44 *T'ao's Memorials, 39.60b-61b.
46 In the early twentieth century the transport merchant's profit was 8.66 taels per yin of 400 cattles. Cf. the Chinese Maritime Customs survey of 1908, *Salt: Production and Taxation* 174.
48 *LHYFC*, 1806 ed., 8, passim.
the case of the designated area, the cost of transportation was lower because of a shorter distance from Yang-chou and the market had few hsia fees. Since the above estimate has not taken into account the usual thirty-six catty allowance for waste and loss, and since the main markets consumed nearly two-thirds of the total quota, it would not be far wrong to take three taels as the overall average per yin profit for the period 1740-1800. Making due allowance for the fact that the wholesale prices of salt during the early 1740's might have been lower than those of the late 1780's, the overall average of three taels should still stand for the half century from 1750 to 1800.

This being the case, the average annual aggregate profit of the transport merchants was around 5,000,000 taels. In the course of half a century, the sum-total of their aggregate annual profits should amount to 250,000,000 taels. Obviously, this gigantic sum was not equally shared by the thirty head merchants and some two hundred "small" merchants. Owing to the reticence of Chinese biographical material on things pecuniary, to estimate the size of individual fortunes is extremely difficult. We may, however, gauge the scale of individual business by carefully examining some valuable, if fragmentary, evidence.

A modern student, relying uncritically on the casual utterance of a mid-seventeenth century salt censor, believes that the one who annually disposed of four or five thousand yin was considered a large capitalist merchant.47 In Kao Heng's administrative orders, however, it is found that a single merchant had the ex-

47 Suzukid Maashi. "A Study of the Liang-huai Salt Merchants of the Early Ch'ing Period" 梭初兩淮鹽商に関する一考察. Shih Shi, Nos. 25-7 (1946-7).111. He quotes the words of a salt censor of 1660: "In the Liang-huai shipment registers there are merchants who each distribute 4,000 or 5,000 yin and those who each distribute 40 or 50 yin." He uses this single piece of evidence to prove the soundness of the conclusions of some early 18th century writers that the largest salt merchant fortune amounted to over ten million taels. During the early Ch'ing decades 4,000 yin (900 catties) of salt cost at most 10,000 taels. How could such a merchant and his descendants become multi-millionaires on so small a scale of business? Yet the words of the salt censor should not be brushed aside as being valueless, for he apparently referred to merchants in one particular register book, while there were many such books on which the names of certain merchants might duplicate. Furthermore, the scale of business of individual 17th century merchants was definitely smaller than that during the 18th century.
clusive right to ship 19,470 yin, the entire official quota, to T'ai-p'ing 太平 prefecture and two others shared the 24,418 yin for Ch'ih-chou 池州, both in the designated area of Anhui.49 Furthermore, the name of one of them appeared, also, in the list of merchants selling salt to An-ch'ing 安慶.49 Their individual quotas, though not unimpressive, were definitely not among the largest, as none of them were head merchants.50 In Chekiang province at least one merchant is known who annually sold more than 90,000 yin.51 During the eighteenth century the Liang-huai area, best known for its large capitalists, could not fail to have merchants whose annual volume of trade was in the neighborhood of 100,000 yin. Such large merchants, necessarily very few in number, could annually pocket some 300,000 taels from the salt business alone, not to speak of their ingenious means of making money in a more or less illegitimate manner. In two generations, or three at most, such families may reasonably be expected to have amassed a fortune amounting to ten million taels. Those substantial families with an annual quota of twenty thousand yin or more could become millionaires in less than two generations. It is certainly no exaggeration when Lü Ch'eng testified in 1823: “I have heard from local elders that several decades ago the richest salt merchants had a fortune of ten million taels, while those ranking next had several millions.”52 To gauge the true dimensions of such fortunes, we may recall the case of Tu Shao-ch'ing 杜少卿 in the famous social novel An Unofficial History of the Literati. The young Tu, identified by Dr. Hu Shih as the author Wu Ching-tzu 吳敬梓 himself, who could boast of a chin-shih with first-class honors and many high officials among his ancestors, received an inheritance of some sixty or seventy thousand taels, which was everywhere considered as a sizable fortune in mid-eighteenth century China.53

49 Kao's Documents 3.75b.
51 In Kao's Documents whenever a head merchant is incidentally mentioned, he invariably bears the appellation "head merchant."
52 Liang-ch'ao 南浙 yen-fa chih, 1802 ed. 25.14a-14b; 50a-50b.
53 Huai-tso pei-yao, 7.1a.
After estimating the profits and fortunes of the transport merchants, we must make the same study for the factory merchants. Throughout the greater part of the eighteenth and early nineteenth centuries the net cost of salt production fluctuated only within a narrow range and it never figured prominently in the gross cost of production and the final selling price. The net cost of production was lower in the factories north of the Huai river where no fuel was required—for the salt was extracted by sun evaporation. South of the Huai river the fuel accounted for higher cost. Despite local variations, the net cost for most times fluctuated between one or two coins to three or four coins a catty. When the factory merchant was also the owner of the salters, the net cost was likely to be low, around one tael per yin of 400 catties. When buying from independent tsao-hu the factory merchant sometimes had to pay 1.4 or 1.5 taels per yin, a price which included the tsao-hu’s slim margin of profit. Despite the legal yin of 344 catties, the officially approved yin at the factories was 400 catties. All in all, for over a century the net cost of production ranged from nine-tenths of a tael to 1.5 taels per customary factory yin of 400 catties.

In the exhaustive official survey of 1740, the net cost of factory salt was estimated at 1.032 taels and the gross cost, i.e., that of factory salt after it had been conveyed to Yang-chou, at 1.55 taels per legal yin of 344 catties. Even converted to the customary factory yin of 400 catties, the gross cost allowed was only 1.8 taels, which gave too little profit to those factory merchants who were merely managers. Probably one of the main reasons for the failure of the 1740 price-ceiling was the inability of the part of transport merchants to buy salt in bulk from the factory merchants at such a ruinous price, which must have been extremely close to the true cost. Pao Shih-ch’en, who, together with Wei Yuan, assisted T’ao Chu in the reform of 1891, recalled that it had never been the

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44 *LHYFC*, 1806 ed. 10.10a.
45 In discussing the cost of salt production over a long period, the early 19th century writers were unanimous in saying that it had changed but little. Cf., Tao’s *Memorials of 1845b; Chou Chi, op. cit., 13b; and Wei Yuan, op. cit., 7.17b-18a.
46 Calculation based on *LHYFC*, 1748 ed., 10, passim.
practice of the Salt Administration to fix a ceiling price for factory salt, ⁵⁷ although we do not know how far back such a practice did go. In any case, it seems certain that after 1740 no attempt was made to fix the price of factory salt. By 1788, the officially approved “net cost” of factory salt rose to 2.7 taels and its gross cost to 4.81 taels per yin of 844 catties. ⁵⁸ The difference between the 1740 and 1788 gross cost is, therefore, 3.26 taels. However, after taking into consideration the fact that between these two dates factory merchants’ expenses, mostly in the form of official exactions, also increased, their average profit per yin during the latter half of the eighteenth century should be between two and 2.5 taels. ⁵⁹ The per yin profit of those factory merchants who owned salterns was likely to be over 2.5 taels. If we follow Wei Yuan’s estimate that the factory merchants reaped about one-half of the aggregate profit of production, then, some thirty factory merchants could annually pocket between 1,500,000 and 2,000,000 taels. It is certain that among the eighteenth century factory merchants, there were millionaires and multi-millionaires.

All the above estimates of profits and capital are based on the assumption that throughout the period under investigation the merchants were able to sell all their quota amount. A study of official data reveals that it was due to the unusually good selling conditions that the eighteenth century is deservedly called the golden age of the Liang-huai salt merchants. True, from time to time there was a glutted market on a local or regional scale and the unsold salt had to be shifted to other districts or prefectures where the demand seemed insatiable. This method is known as tai-hsiao 代銷 or yung-hsiao 融銷, or “the switch of sale.” In case of a general glut on the whole market, the total annual shipment had to be carried over in installments to the next few years, so that the taxes and charges for the bad year be paid within the

⁵⁷ An-wu suu-chung 3.20a.
⁵⁸ LHYFC, 1906 ed. 24.25b-26a.
⁵⁹ The Chinese Maritime Customs survey of 1898 gave the ch’ang-shang’s profit at 1.98 taels per yin of 600 catties. Cf. Salt: Production and Taxation 171-2. This low profit was, no doubt, due to tightened government control over the price of factory salt after 1881. The control over transport merchants’ selling prices was more difficult.
specified period. This is known as t'ung-hsiao 銅削, or "total switch of sale." Although switches of sale happened not infrequently during the eighteenth century, the amount was never alarming and the salt so switched was eventually sold. The total switch of sale occurred only once in 1758.09 Along with the methods of liquidating sluggish sales, there was, in good years, the method of i-hsiao 溢銷, i.e., a portion of the salt of the next annual shipment was sold in advance in order to meet the growing demand. Owing to the rapidly growing population, between 1747 and 1803 the total quantity of salt thus sold in advance was 7,053,815 yin.10 All in all, therefore, the selling conditions during the eighteenth century were exceptionally good and the salt merchants sold more than the total quota amount.

To summarize, it may be said that the Liang-huai salt merchants of the eighteenth century were the unchallenged merchant princes of China. Their wealth relative to that of other significant groups was appraised by a censor in 1744 as follows:

... Kuangtung province is far in the southern tip of the empire. In the whole province there are only a few rich natives. As to the immigrants such as the Co-hong merchants and salt merchants, although they number several thousands, only several of them are wealthy.... They cannot be compared with the merchants of Liang-huai and Shansi who can stand certain economic losses without being materially affected.11

The golden days of the Co-hong merchants lay in the future. Although the individual fortunes of the Liang-huai merchants might be overshadowed by that of the richest of the Hong merchants of the nineteenth century, the Wu family, whose fortune by 1891 was said to amount to twenty-six million Mexican dollars,12 their aggregate wealth was still far greater than that of the latter group at its peak of prosperity. The total contributions made by these two groups offer a standard for comparison. Whereas the Hong merchants contributed to the imperial treasury

09 LHYFC, 1806 ed., 16, passim.
11 Ch'ing Kao-tsung shih-lu 清高宗實錄, 215.5b, August 1, 1744.
3,950,000 taels between 1773 and 1832,\(^4\) the Liang-huai merchants contributed nine times as much (36,970,968 taels, to be exact) between 1738 and 1804.\(^5\) True, not all the contributions made by the Hong merchants were reported to the central treasury,\(^6\) yet it is certain that their aggregate contribution, even including the unusually large sum raised for the defence and ransom of Canton during the years of the first Anglo-Chinese war of 1839-42,\(^7\) was far less than that made by the Liang-huai merchants during the eighteenth century.

III

Any study of the Liang-huai salt merchants would be misleading if it focussed itself merely on their profits and capital without inquiring into the factors which made the unlimited accumulation of capital impossible. In fact, a systematic analysis of these factors will go far to explain why traditional China, despite the existence of commercial capital on a significant scale, failed to produce a commercial capitalism that characterized the Europe of the seventeenth and eighteenth centuries. To understand thoroughly the reasons why capital could not remain concentrated in a few merchant families, it is necessary to study their mode of life and cultural expressions, their social mobility, and the dilution of wealth and capital due to the working of the family, or clan, system.

\(^4\) Liang Chia-pin 梁嘉彬, Kuang-tung shih-san-hang k'ao 廣東十三行考 (Shanghai, 1937), 497. It ought to be pointed out that this figure is based on Liang-kuang 广 yen-ta shih and, therefore, includes the contributions jointly made by the Hong and salt merchants.

\(^5\) LHYC, 1800 ed. 42, passim.

\(^6\) The records of the Select Committee of the East India Company, quoted in H. B. Morse, The Chronicles of the East India Trading to China, 1635-1834 (Oxford, 1926) 3.104.

\(^7\) For example, in 1841, Howqua III (Wu Ch'ung-yüeh 崇煕, 1810-1863) alone contributed 1,100,000 Mexican dollars for the ransom of Canton; cf., Hunton, op. cit., pp. 44-5. Single individual contributions on such scale can find no parallel among the 19th century Liang-huai merchants. Kuang-chou fu-chih 廣州府志, 1879 ed. 129.25a-26b, estimated that the Wu family in three generations had altogether contributed nearly 10,000,000 dollars. This may not be an exaggeration. The rest of the Hong merchants, with the exception of the Pan 潘 family, however, had rather limited resources.
In the study of the Liang-huai merchants' mode of life, one cannot fail to be impressed by the various forms of excess. These found expression either in extravagance or in their peculiar cultural activities. Basically, these two different expressions stemmed from the same root—the complex of the *nouveau riche*. It is easily understandable that the *nouveau riche* almost everywhere attempts to compensate for lack of social prestige by a conspicuous style of living. The Liang-huai salt merchants of the eighteenth century were no exception. They were commonly referred to by contemporaries as the "salt fools" 資子. Yang-chou hua-fang lu 揚州畫舫錄, the famous guidebook to the beauty spots of Yang-chou, gives a most vivid description of their mode of life:

... Formerly, the salt merchants of Yang-chou vied with one another in extravagance. Each wedding or funeral, with all its expenses for food, clothing and carriage, cost several hundred thousand taels. There was one who insisted on having more than ten meticulously prepared dishes every meal. At dinner time he and his wife were waited upon by a host of servants who served everything from ten and noodles to vegetable and meat plates. They only needed to shake their heads to have the undesired dishes removed and appetizing ones brought in. There was a lover of horses who raised these animals by several hundreds. Each day a single horse's maintenance ran to several

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63 The legal status of salt merchants was aptly described by a salt censor in 1723: "A salt merchant, being from a well-to-do family, participates in the collection of taxes for the state. His profession should not be compared to that of an ordinary lowly merchant, nor can his position be filled by one from a small household. He should consider himself important rather than insignificant." Shan-tung 山東 *yen-ja chi*, 1808 ed. 9.11a. Unlike merchants of the pre-Yuan China who suffered from sumptuary laws and who were deprived of the right to civil service, salt merchants were particularly favored by the Manchu government which classified them under *shang-chi* 廣籍. Contrary to the impression of some modern scholars that *shang-chi* included all merchants, it, in fact, referred only to the "aristocracy" of merchants—the salt merchants. Being classified under *shang-chi*, salt merchants' children were given special quotas for district studentships 童生, a privilege which better enabled them to become degree-holders and members of the ruling class. Cf., Li-pu tse-li 禮部則例, 1794 ed. 77, *pssim* and Hsüeh-ch'eng ch'üan-shu 學政全書, 1793 ed. 64, *pssim*. It is clear, therefore, that during the 17th and 18th centuries if the salt merchants felt inferior, it could only be in a social sense.

69 *Ju-lin wai-shih*, ch. 28.

70 Its author is Li To 李斗. It was first published in 1795. The edition used in this article and hereafter referred to as *YCHFL* contains two postscripts dated 1894. The quotation is from 6.9b-10b.
tens of taelis. In the morning they were taken to the outskirts of the city and in the evening they were taken back. So rich was their coloring that the onlooker's eyes were dazzled. There was a lover of orchids, who planted orchids everywhere from the gate to the inner studios. There was one who erected wooden nude female statues in front of his inner halls, all mechanically controlled, so as to tease and surprise his guests. At the beginning, An Lutsun (i.e., An Ch'i 安岐 [b. 1683?]) perhaps the richest salt merchant of North China who later lived in Yang-chou) was the most notorious. His notoriety was surpassed by that of later comers. There was one who wished to spend ten thousand taelis in a single day. One of his guests suggested that he buy gold foils. From the tower on top the Golden Hill he threw down the gold foils which, carried by the wind, soon scattered amidst trees and grass and could not be gathered again. There was another who spent three thousand taelis buying pu-tao-xeng 不倒翁 [a kind of bottom-heavy doll in the form of an old man that never falls] from Soochou to be floated on water. So numerous were these dolls that the stream became choked. There was one who loved beautiful things. From his gate-keepers to kitchen-maids only good-looking young persons were selected. On the other hand, there was one who was fond of ugly things. [Once an applicant] being convinced from looking at the mirror that he was not ugly enough, smeared his face with soy sauce and exposed it to the sun. There was yet another who liked big things. He designed for himself a huge bronze urinal container five or six feet tall. Every night he climbed up to relieve himself. For quite some while, these people vied with one another in novelties and eccentricities which were too numerous to be described in full.

While the vulgar and untutored of the salt merchants squandered their wealth in the most perverted manner, the cultured and refined went to another extreme by patronizing scholars and poets or by cultivating the expensive hobbies of bibliophiles and art connoisseurs. In fact, even the untutored merchants were, at times, patrons of scholars. An Ch'i, for example, was said to have given the famous scholar Chu I-tsun 朱彝尊 (1629-1709) ten thousand taelis to enable him to write his classical treatise in comfort.71 The Hung 滬 family, which had been in the salt business since the late Ming times,72 had entertained famous scholars since, at least, the late seventeenth century. Its Rainbow Bridge Garden 虹橋 had for generations been adorned with a galaxy of scholars, such as, for example, the astronomer and mathematician Mei Wen-ting 梅文鼎 (1633-1721), the gifted poet, calligrapher and painter Cheng Hsieh 鄭燮 (1693-1766),

71 Op. cit., 10.28b.
72 For the history of the Hung family, cf., She-hsien chih, 1770 ed. 9.39a; 1937 ed. 10.43a.
the great scholar Hui Tung 惠棟 (1697-1758) and his still more illustrious disciple Tai Chen 戴震 (1724-1777), the leading poet Yüan Mei 袁枚 (1716-1798), and two prominent historians Ch'ien Ta-hsin 賢大昕 (1728-1804) and Wang Ming-sheng 王鸣盛 (1722-1798). From the second quarter of the eighteenth century on, the Little-Translucent-Mountain-Cottage 小玲珑山館 of the Ma family 馬, the Bamboo Garden 竹軒 of the Cheng family 程 and the Garden of Repose 休園 of the Cheng family 鄭 ranked among the nation's foremost literary salons, where periodic poetry contests were held with lavish entertainment and rich monetary rewards. The first, owned by the brothers Ma Yüeh-kuan 馬燠 (1688-1755) and Ma Yüeh-lu 馬燠 (1697-1766?), both bibliophiles and gifted poets, was practically a luxurious year-round hostel for various categories of men of letters. When the poor historian Ch'u-an Tsu-wang 全祖望 (1705-1755) contracted a malignant disease, the elder Ma spent a thousand taels in the hope that it might be cured by some foremost physicians. When the poet Li O 厲鹗 (1692-1752) was still without male heir at the age of sixty, he paid for his wedding to a young maid and allotted an apartment to lodge them. With the assistance of expert bookdealers the Ma brothers built up one of the finest collections of rare Sung and Yuan books which were housed in the Ts'ung-shu-lou 萬卷樓, a library also known for its collection of paintings, calligraphic masterpieces and stone rubbings, which was said to be the best north of the Yangtze. In 1772, when by order of the emperor, the board for the compilation of the monumental Ssu K'u ch'ien-shu 詩經全書 was set up, the son of Ma Yüeh-lu submitted a large number of rare books of which 776 titles were transcribed by the Imperial Manuscript Library. For this contribution to culture, the Ma family, together with three other leading bibliophiles, two of whom were salt merchants of Chekiang, were each rewarded with a set of the Ku-chin t'u-shu chi-ch'eng 古今圖書集成. 

72 YCHFL, 10, passim.  
73 Li Hoan 莉槼 ed., Kuo-ch'ao ch'i-kei lei-sheng 國朝耆獻類徵 (hereafter referred to as KCCHLC), 438.77a-19b.  
74 Ibid.  
75 Ch'ing Kao-tung shih-lu, 938.92b-93b.
The above-mentioned were but a few of such affluent salt merchant families which habitually entertained and subsidized scholars on a lavish scale. A sampling of that famous guidebook of Yang-chou reveals that during the eighteenth century few of the men of letters of note of the lower Yangtze area had not associated themselves at one time or another with some salt merchant families in Yang-chou. Suffice it here to say that this kind of association was to their mutual advantage, for if the scholars received no mean material aid from the merchants, the merchants in turn derived enhanced social prestige from their intimate relationship with the scholars. By sponsoring various cultural activities, members of the salt merchant families, notwithstanding their social origin, were admitted into the true elite. Indeed, so conscious of this social elevation was the Hung family that it barred members of other salt merchant families from taking part in the literary club which it sponsored.\(^7\)

Although it is impossible to present a statistical summary showing the proportion of members of the salt merchant families becoming men of letters, owing to the lack of precise information on the size of their families, enough evidence can be gathered which will indicate the general direction of their social mobility. The Ch'eng family, owner of the Bamboo Garden, for example, became rich during the third quarter of the seventeenth century. The founder of the family fortune, Ch'eng Liang-ju 梁九 was a head merchant of considerable ability.\(^8\) His business was entrusted to the eldest of his six sons, Ch'eng Chih-ying 劉之諄, the organizer of the important monetary contribution which helped to put down the rebellion of the three feudatories in 1681. For this effort he was awarded the honor of wearing the robe of a fifth-ranking official. The significant point is that three of his five brothers became degree-holders, a chü-jen and two hsiu-ts'ai. The social metamorphosis of the family began rather early. The third generation produced two officials, Ch'eng Wen-cheng 文政, chün-shih of 1691 and later a second-class secretary of the

\(^7\) YCHFL, 10.14a.

\(^8\) For the early history of the Ch'eng family, cf., LHYFC, 1748 ed., 35.34a-b; 34.7a-b.
Board of Works, and Ch'eng Wen-wei 文蔚, a probational chü-jen of 1684 and a district magistrate. The former also left two literary collections, one of poems and one of essays. Their eldest brother succeeded their father as the head merchant. Although the rest of the brothers are not mentioned in the biographies of the Liang-huai yen-fa chih, it is almost certain that they were all given a tolerably good education by their father Ch'eng Chih-ying, who took great pains to see his children make steady academic progress. The fourth generation again produced two officials, Ch'eng Meng-hsing 梅星, chin-shih of 1712 and a compiler of the Hanlin Academy, and Ch'eng Meng-chiao 梅岐, who became a deputy-prefect through purchase of office. The former retired early from his official career and built the Bamboo Garden in which to entertain men of letters. He himself ranked high as a poet. The fifth generation produced a scholar and bibliophile of national renown, Ch'eng Chin-fang 晋芳 (1718-1784). He spent some thirty years building up a fine library of 50,000 chüan, only to sell it in part later on account of dire financial need. A chin-shih of 1771 and a member of the board for the compilation of the Ssu-lü chüan-shu, he died a poor man in debt, as his good friend, the famous poet Yüan Mei, burned a mortgage of 5,000 taels which Ch'eng had owed him. True, the Ch'eng family was unusually large, as Ch'eng Chih-ying had twelve sons and over thirty grandsons, let alone a larger number of great-grandsons. What is left unmentioned in the biographies is perhaps as important as what has been said. Yet we have good reason to believe that the salt business, during the first three generations, passed on to only one branch of the family and that those who were neither merchants nor degree-holders and officials, as Yüan Mei said, indulged in “dogs, horses, music and women.”

The Ch'eng family was by no means exceptional. Another head merchant family, by the name of Chiang 江, underwent a similar process of social metamorphosis. Chiang Kuo-mao 國茂, a native of She-hsien and a hsü-tsai of the late Ming period, gave
up his scholarly career and became a salt merchant in Yang-chou, as the change of dynasties offered golden opportunities to become rich. He died without fully realizing his ambition. The family became rich during the lifetime of his son, CHIANG Yen 蔣，who became a head merchant. While one of CHIANG Yen's sons succeeded him as the head merchant, another became a prefect, owing to the recommendation of a prince of the blood. The fourth generation produced a long galaxy of men of letters, artists, connoisseurs and officials, the most famous of whom was CHIANG Ch'un 蔣春，a poet and the most colorful head merchant during the second half of the eighteenth century.

CHIANG Ch'un organized several monetary contributions which helped to finance the military campaigns of the Ch'ien-lung period. For his efforts and for his clever contrivance which resulted in the arrest of an escaped eunuch, he was granted the title of a lieutenant-governor, a unique honor to be bestowed on a merchant. For this reason, he was commonly called Fang-po 方伯 an epistolary designation of lieutenant-governors. Although he was a merchant, his poetry was rated by contemporaries as being on a par with that of MA Yueh-lu and CH'T Shao-nan 齊召南 (1706-1769), both poets of national fame. His other hobbies were archery and fighting crickets which he raised in urns designed after an expensive Sung model. He built the K'ang-shan-yuan 康山園, a garden which was visited by the emperor in 1780. "He loved literary associations. Men of letters from all over the country were invited to his house. He had a hall which could accommodate a hundred guests, and that hall was often filled." He had entertained the emperor personally six times and had represented the Liang-huai merchant body twice to congratulate the empress-dowager on her birthday. Finally, he participated in the imperial banquet for a thousand elders. But, by 1771, he had spent and contributed so heavily that he was lacking working capital. The emperor, remembering his past service, loaned him 300,000 taels out of the treasury of the Imperial Household Department, the

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85. LHYFC, 1906 ed. 49.8a-b.
profit from which, after deducting a ten per cent interest to the government, was to provide for his maintenance. Being an old man without male heir, he finally managed to live on an annual income of 16,000 taels, which must have been small in comparison with his former income. After his death, his once famous garden was sold in 1793, upon the suggestion of the emperor, to the whole merchant body as a clubhouse for 50,000 taels, a sum which was to be used by his poetry-loving adopted son as working capital. For all his colorful career as a head merchant, he seemed to have been ashamed to let posterity know his business name, CHIANG Kuang-ta 康達, which is nowhere mentioned together with his personal name except in his epitaph written by the poet YÜAN Mei.  

Although the exact size of the CHIANG family is not known, fifteen of CHIANG Ch'un's cousins and their sons achieved fame as poets, artists and connoisseurs. CHIANG Fang 翔, his gifted first cousin, was a poet and painter of distinction. CHIANG Lan 廉 (d. 1807), also his cousin, was skillful in poetry and prose and once served as the governor of Honan and a deputy-president of the Board of War. While governor, he was fined 50,000 taels for an administrative blunder. Hoping that he might regain imperial favor, he later twice contributed 30,000 taels for flood relief and public construction. CHIANG Hsün 猛, also CHIANG Ch'un's cousin, became intendant of Wuhu 蘇湖, whose collection of bronzes, stones, paintings and calligraphic works was said to be the best south of the Yangtze. CHIANG Hsün's son, CHIANG Te-liang 德量 (1751 or 1752-1793), won the second highest honor in the palace examination of 1779 and later became a censor. He was a calligrapher of national renown. The rest of the fifteen, as recorded in that famous guidebook, were either poets or connoisseurs.

Records showing the social mobility of lesser merchant families

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**Op. cit., 17.4a-7b.**  
**KCCCHLC, 487.6b-7b.**  
**Ch'ing hua-chiu shih-shih 清畫家詩史, 3B.48a.**  
**KCCCHLC 69.24a-29a.**  
**YCHFL 12, passim.**  
**KCCCHLC 71.51a.**
are by no means lacking. The case of the Li 李 family is particularly illuminating in that its history reveals the effects of traditional ethical teaching and standards of value on the changes within a merchant family. The founder of this modest fortune was Li Mao 茂, who flourished during the middle of the seventeenth century. The eldest, chin-shih of 1694, later became a prefect. The second, a probational chü-jen of 1687, later served as an attaché行走 in Peking. The youngest purchased a minor office in the central government. Li Mao's salt business passed on to his third son, Li T'ien-ch'i 天祈. Owing to his compassionate nature, Li T'ien-ch'i spent over 30,000 taels on local charity. During the division of family property consequential to Li Mao's death, the two elder brothers complained about Li T'ien-ch'i's free spending. The latter thereupon refused to have his due share, with the result that all his three brothers were rich but he himself was poor. His youngest brother offered him one-half of his share which was again declined by Li T'ien-ch'i. In his advanced years Li T'ien-ch'i called himself lazy spirit 餘仙 and once made four lines to depict his mood: "Outside the gate is one bend of running brook; in front of the windows are several trees of plum blossoms; when inspired I pawn my clothing for wine; with leisure I sweep fallen leaves and sample my own tea." His second wife and widow, née Hu 胡, lived up to his expectations by working to support her two sons. On her deathbed, she said to her second son, Li Tao-nan 道南: "[Despite poverty,] it is still better to study." Li Tao-nan, therefore, named his hall by the last words of his mother and finally became a chin-shih in 1759. He retired and died as a country teacher. He and his elder brother, true to the teaching of their parents, refused to have any social intercourse with rich merchants and with their salt-merchant cousin, who had been adopted as a son by Li T'ien-ch'i before his second marriage. All

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22 LHYFC 1800 ed., 43.20b-27a.
22 Op. cit., 43.20b-22b, table of degree-holders, see under Li T'ien-yu 李 and Li T'ien-lisang 李.
22 Op. cit., 48.8b, table of officials through purchase, see under Li T'ien-tao 李.
22 Op. cit., 46.10a-b; 51.10a-b.
except a sub-branch of the family had thus transformed themselves into minor officials and scholars.\textsuperscript{99}

While the Li family may represent the uncompromising idealists among the salt merchants, the Ts'ao 蹟 family, which produced a president of the Board of Revenue, Ts'ao Wen-chih 文звуч (1735-1798), and a grand-secretary, Ts'ao Chen-yung 時瞻 (1755-1855), may represent the most prudent and realistic of the Liang-huai merchants. The family did not become wealthy until the lifetime of Ts'ao Ching-ch' en 景震 (1707-1776), father of the president of the Board of Revenue, although his own father Ts'ao Shih-ch'ang 世昌 had already been engaged in the salt trade in southeastern Honan.\textsuperscript{97} When Ts'ao Ching-ch' en's own brother became a student of the Imperial Academy, he decided that he should be a full-time merchant in order that, as he said, “a scholar and a merchant should each assume his distinct responsibility [to the family].”\textsuperscript{98} Owing to shrewd management in Yang-chou, Ts'ao Ching-ch' en built up a sizable fortune in a few years so that his father was able to retire in comfort to She-hsien. Although he was well-to-do during the prime of his life, Ts'ao Ching-ch' en firmly believed in the policy of family division of labor. He, therefore, apprenticed his eldest son to the salt trade in Yang-chou and entrusted his second son with managing the family estate in She-hsien, while giving full opportunity for serious studies to his brilliant and youngest son, Ts'ao Wen-chih. Thanks to this policy of family division of labor, Ts'ao Wen-chih became a chūn-shih in 1760 at the age of twenty-five, after years of association with famous scholars of the lower Yangtze area.\textsuperscript{99} At fifty, he reached the office of the president of the Board of Revenue. Like his prudent father, Ts'ao Wen-chih, even during his highly successful official career, apprenticed his elder son to a salt-merchant cousin in Yang-chou,\textsuperscript{100} while taking with him his

\textsuperscript{99} Op. cit., 49.12b-13b. At least three of Li Tao-nan's cousins became officials through purchase; see under Li Hung-han 宏漢, a prefect, Li Hung-ch'ien 沣, a magistrate, and Li Hung-lu 覫, a department director of the Board of Punishment.

\textsuperscript{97} Ts'ao Wen-chih, Shih-ku-yan-chai wen-ch' ao 石經碑齋文稿, 1800 ed., Ts'ao Chen-yung's reminiscences of Ts'ao Wen-chih, appendix.

\textsuperscript{98} Op. cit., 19.8a-12a, Ts'ao Wen-chih's reminiscences of Ts'ao Ching-ch' en.


\textsuperscript{100} Op. cit., “Essay Dedicated to Ts'ao Wen-chih's Late First Cousin,” 東程鵷林表弟文.
younger son, Ts'ao Chen-yung.\textsuperscript{102} Again, the excellent opportunity for literary studies in Peking and the lower Yangtze area enabled Ts'ao Chen-yung to obtain his chin-shih degree in 1781. He eventually climbed to the top of the officialdom in 1831, where he remained until his death in 1835. For approximately a quarter of a century, he was, in fact, one of the most trusted and powerful of ministers, conservative in political outlook, but incorruptible in character. The rest of the male adults of the family were either salt merchants with official ranks or holders of lower degrees.\textsuperscript{102}

\textsuperscript{102} \textit{Op. cit.}, appendix.

\textsuperscript{103} Thanks to the above materials, it is possible to construct a genealogical table, including male members only, for the Ts'ao family up to the death of Ts'ao Ching-ch'en in 1778:

<table>
<thead>
<tr>
<th>Ts'ao Shih-ch'ang (s. m.)</th>
<th>Elder Son Tseng</th>
<th>Ta's-chi 自孫</th>
</tr>
</thead>
<tbody>
<tr>
<td>(name not mentioned; student of Imp. Academy)</td>
<td>(s. m.; * died fairly young)</td>
<td>(idle; well-provided for by granduncle)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ts'ao Shih-ch'ang (s. m.)</th>
<th>Wen-shu 文書</th>
</tr>
</thead>
<tbody>
<tr>
<td>(s. m.; expectant 2nd-class secretary of a central Board)</td>
<td>Chen-k'ai 振銘 (student of Imp. Academy)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ching-ch'en (s. m.)</th>
<th>Wen-ching 文慶</th>
</tr>
</thead>
<tbody>
<tr>
<td>(managing family estate; expectant Dept. director)</td>
<td>Chen-ling 振銘 (young)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ch'ih (s. m.)</th>
<th>Wen-chih 文執</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Educational Commissioner of Chekiang)</td>
<td>Chen-yung (hsi-ë't'ai)</td>
</tr>
</tbody>
</table>

* The abbreviation "s. m." is for "salt merchant."
Space does not permit a summary of the history of other salt merchant families. It is fairly safe to say, however, that the average merchant family, in two or three generations, ceased to be a socially homogenous body. In fact, almost as soon as the family became well-to-do, its youthful members were encouraged to embark upon a scholarly, and ultimately an official, career, with the result that the merchant element in the family became less and less predominant. This process of social metamorphosis was necessarily highly selective, since only the assiduous and brilliant, who must also have good luck, succeeded in the higher-degree examinations and in becoming members of the ruling class. Yet, it was very remarkable for the three hundred or less transport and factory merchant families to have produced 139 chin-shih and 208 chü-jen between 1646 and 1802. This was because, aside from excellent library and other facilities, the children of the salt merchant families probably received the best schooling in the empire, as may be evidenced from the list of some foremost literary names among the directors of the three academies established exclusively for them. In addition to the regular channel of examination, members of the salt merchant families could also become officials by purchasing offices. Ch'eng Meng-chiao and Chiang Lan were good examples. Altogether, between 1644 and 1802, there were 140 members of salt merchant families who became officials through purchase.

A large number of those who were intellectually alert, either due to hard luck in the examinations or owing to their personal preference for an easy comfortable life, chose to become men of letters.

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103 *LHYC*, 1806 ed. 48, *passim*. The national total of chin-shih during the same period is 16,067. Cf. Fang Ch'ao-yang and Tu Lien-che, *Chin-shih ti-ming pei-hu of the Ch'ing Dynasty* (Harvard-Yenching Institute, 1941) tables on pp. xv-xvi. When the total population of China during this period is scientifically estimated, the high percentage of academic success of the Liang-hsi merchant families will become most obvious.

For instance, among the directors of the An-ting 安定 Academy were the famous scholar HANG Shih-ch'un 林世俊 (1694-1779), the noted poet and dramatist CH'IANG Shih-ch'üan 蔣士鉞 (1725-1783) and the prominent historian and poet CH'AO I 趙翼 (1727-1814). The first director of the Mei-hua 梅花 Academy was the foremost p.rofessor of the day, Yü Nai 姚鼐 (1723-1815). *Yang-chou fu-chih 揚州府志*, 1910 ed. 9, *passim*.

105 *LHYC*, 1806 ed. 49, *passim*. 
The holders of higher degrees, of course, broke into the structure of political power and their social status was consequently higher than that of their kinsmen. Yet, the men of letters, while not strictly members of the ruling class, nevertheless, constituted a formidable social force. Did not the poor, struggling and unscrupulous K’uang Ch’ao-jen (匡超人) in An Unofficial History of the Literati, after being amazed by the high esteem that the indigent poet Ni Yu Pu-i (牛布衣) was able to command in the political-academic world, belatedly realize that outside the charmed circles of officials and higher degree-holders there had been in existence yet another prestige group? Small wonder, then, that in a society where the primary standard of prestige was not money but political and literary distinction, that the social mobility of the salt merchant families should have been along a single and almost fixed channel.

To get back to the problem of accumulation of capital, it is easily conceivable that the mode of life of the members of salt merchant families, be it in the form of conspicuous spending or in the form of lavish cultural activities, could not, in the long run, fail to be a heavy drain on family resources. The idle youths of an opulent family as well as those who established themselves as men of letters were, from the socio-economic point of view, simply parasites. Those who became officials helped to enhance the family prestige, but not necessarily the family fortune. In reality, officials who came from salt merchant families were men of acquired expensive tastes, heavy consumers rather than producers of wealth. An official from a poor or average family might utilize his official position to improve his family’s economic status. An official from a salt merchant family, being so conscious of his social origin, took meticulous care to improve his family prestige. It was only natural for many a Chu’eng and Chiang to retire early from official life and become a patron of scholars, bibliophile, or art connoisseur. It was by no means incidental that Ts’ao Chen-yung, being from a substantial salt merchant family, could afford to be incorruptible; so much so that he earned for himself the most-coveted posthumous title “cultured and upright.”

Chapters 17 and 18.
Their mode of life and their social mobility, therefore, were not conducive to the multiplication of capital. On the contrary, the bulk of the otherwise highly productive capital was diverted to various non-economic uses.

The dilution of wealth and capital is made still clearer when the working of the clan system is studied. Primogeniture, which did so much to protect wealth in a concentrated form in medieval Europe and even in modern Britain, was abolished in China during the Han times. Throughout the past two thousand years, family property was usually divided more or less equally among the male heirs of the deceased. The virtue of sharing one's wealth with one's immediate and remote kinsmen had been so loudly extolled since at least the Sung period that few if any of the Liang-huai merchants under the present study could escape from the influence of this teaching. In fact, aside from literary or political achievement the only way for a rich man to earn a place in the local history or to achieve fame during his lifetime was to be a filial son, to practise fraternal love, and to look after the welfare of his remote kinsmen and neighbors. Ts'ao Ching-ch'en, one of the more realistic of the Liang-huai merchants, twice re-divided the family property in favor his poorer and remoter kinsmen. It was not because he was not an economical being; it was because he was a product of the traditional Chinese society. He once said to his famous son:

"Filial piety and fraternal love are the root. When the root is not cultivated, how are we to expect the luxuriant branches and leaves... To live among uncles, brothers and cousins the important thing is to restrict oneself. Wealth and glory are inconstant. If among the offshoots of our common ancestor there are those who become more successful than we, our whole family fortune shall not decline. Others' success is in fact our own success." ¹⁰⁷

It has been shown that a relatively small fortune like that of the Li family could be dissipated in two or three generations. A large fortune like that of the Ch'eng family might be fairly well levelled off in five generations. We need not be surprised at Ch'eng Chinfang's impracticality, as he was but one of the Ch'eng's who received a progressively smaller share of the fortune built up by

¹⁰⁷ Shih-ku-yen-chai wen-ch'ao 10.10a.
their fifth and fourth generation ancestors. The share received by him could not have been so large as to enable him to live in the same style as his uncle Ch'ang Meng-hsing, owner of the Bamboo Garden, or to cultivate the same expensive hobbies of the Ma brothers, whose family during their lifetime was fortunately reasonably small.

In conclusion, one of Wang Hsi-sun’s estimates must be briefly examined. He estimated that during the period of high prosperity the total available capital of the Liang-huai salt merchants was between seventy and eighty million taels. This does not, in fact, contradict our estimate of the aggregate profit of the merchants throughout the latter half of the eighteenth century, which is put at 250,000,000 taels. The difference between Wang’s figure and our own is to be explained by the almost endless monetary contributions which the Liang-huai merchants actually made; by their mode of life and social mobility, two factors which diverted the bulk of the capital to non-economic uses; and by the functioning of the clan system. If the amount of commercial capital so diverted appears to be unusually large, it accounted precisely for the chapter of splendid cultural and intellectual developments that characterized the lower Yangtze area during the eighteenth century.

108 Tsung-cheng lu, "姚司馬德政圖序."
109 In addition to 36,370,998 taels which the Liang-huai merchants contributed between 1788 and 1804, they also spent, up to 1768, 4,670,000 taels in entertaining the emperor and his retinue during his southern tours. Ch'ing-shih-kao 清史稿 485.26.
110 Wang Hsi-sun testified that by about 1830 the available capital of the Liang-huai merchants had further shrunk to only four or five million taels. Cf. Tsung-cheng lu 2. No doubt, there is some truth in the hypothesis of Anz Takeo 安原健夫, "清代における茶産業の趨勢," in Asiatic Studies in honour of Tóru Haneda on the occasion of his 60th Birthday (Kyoto University, 1960), that the capital of the salt merchants had shifted to other more profitable business lines, particularly to the pawnshops, whose mushrooming growth was synchronized almost exactly with the decline of the Liang-huai salt trade. The author, however, mistakes Wang Chung as the author of Ts'ung-cheng lu.