

THE DEBATE ON SALT AND IRON

In this debate the government argued that its fiscal policies were necessary to maintain defensive warfare against the Xiongnu tribes (probably Huns) who threatened the empire; that the government by its disinterested control of vital industries was protecting the people from private exploitation; and, finally, that the trade opened up by the western expansion had brought to the empire heretofore unknown goods and luxuries such as horses, camels, furs, rugs, precious stones, exotic fruits, and so on.

To these arguments the Confucian literati stolidly replied that the Chinese had no business in the barbarian lands of Central Asia, that China should make peace with its neighbors and be content to remain safely within its traditional boundaries. In reply to the second argument, they pointed to the fact that corruption and maladministration in the government system of monopolies were forcing the people to use inferior products or at times to do without them entirely. The government, they claimed, was in actuality entering into competition with the people (private enterprise) in trade, an area outside its proper sphere of activity. On the question of increased foreign trade, they noted that the furs, precious stones, and exotic fruits bought with silk produced at great labor by the common people found their way only to the houses of the rich and noble. The debate was a lively affair, the government constantly taunting the scholars with their poverty, which, though claimed as evidence of their frugality and moral probity, was alleged by their critics to be proof of their incompetence in worldly affairs. The scholars replied that the government's pursuit of increased revenue was not, as claimed, serving the public interest but instead set a bad example of profiting at the people's expense, thereby undermining public morality by putting "profit" ahead of what was right. Many of these arguments were couched in terms of the doctrines of Mencius on governing through humaneness and rightness, maintaining the well-field system of equal landholding, and providing schools to educate the people.

The literati had some immediate success, but the government monopolies were not all abolished because of the need for revenue, and many of the same economic problems persisted.

In the sixth year of the era Shiyuan [81 B.C.E.], an imperial edict was issued directing the chancellor and the imperial secretaries to confer with the worthies and literati who had been recommended to the government and to inquire into the grievances and hardships of the people.

The literati responded: We have heard that the way to govern men is to prevent evil and error at their source, to broaden the beginnings of morality, to discourage secondary occupations, and open the way for the exercise of humaneness and rightness. Never should material profit appear as a motive of government. Only then can moral instruction succeed and the customs of the people be reformed. But now in the provinces the salt, iron, and liquor monopolies, and the system of equitable marketing have been established to compete with the people for profit, dispelling rustic generosity and teaching the

people greed. Therefore those who pursue primary occupations [farming] have grown few and those following secondary occupations [trading] numerous. As artifice increases, basic simplicity declines; and as the secondary occupations flourish, those that are primary suffer. When the secondary is practiced the people grow decadent, but when the primary is practiced they are simple and sincere. When the people are sincere then there will be sufficient wealth and goods, but when they become extravagant then famine and cold will follow. We recommend that the salt, iron, and liquor monopolies and the system of equitable marketing be abolished so that primary pursuits may be advanced and secondary ones suppressed. This will have the advantage of increasing the profitability of agriculture.

His Lordship [the Imperial Secretary Sang Hongyang] replied: The Xiongnu have frequently revolted against our sovereignty and pillaged our borders. If we are to defend ourselves, then it means the hardships of war for the soldiers of China, but if we do not defend ourselves properly, then their incursions cannot be stopped. The former emperor [Wu] took pity upon the people of the border areas who for so long had suffered disaster and hardship and had been carried off as captives. Therefore he set up defense stations, established a system of warning beacons, and garrisoned the outlying areas to ensure their protection. But the resources of these areas were insufficient, and so he established the salt, iron, and liquor monopolies and the system of equitable marketing in order to raise more funds for expenditures at the borders. Now our critics, who desire that these measures be abolished, would empty the treasuries and deplete the funds used for defense. They would have the men who are defending our passes and patrolling our walls suffer hunger and cold. How else can we provide for them? Abolition of these measures is not expedient! [sec. 1, 1:1a–2a]

His Lordship stated: In former times the peers residing in the provinces sent in their respective products as tribute, but there was much confusion and trouble in transporting them and the goods were often of such poor quality that they were not worth the cost of transportation. For this reason transportation offices have been set up in each district to handle delivery and shipping and to facilitate the presentation of tribute from outlying areas. Therefore the system is called “equitable marketing.” Warehouses have been opened in the capital for the storing of goods, buying when prices are low and selling when they are high. Thereby the government suffers no loss and the merchants cannot speculate for profit. Therefore this is called the “balanced level” [stabilization]. With the balanced level the people are protected from unemployment, and with equitable marketing the burden of labor service is equalized. Thus these measures are designed to ensure an equal distribution of goods and to benefit the people and are not intended to open the way to profit or provide the people with a ladder to crime.

The literati replied: In ancient times taxes and levies took from the people what they were skilled in producing and did not demand what they were poor

at. Thus the husbandmen sent in their harvests and the weaving women their goods. Nowadays the government disregards what people have and requires of them what they have not, so that they are forced to sell their goods at a cheap price in order to meet the demands from above. . . . The farmers suffer double hardships and the weaving women are taxed twice. We have not seen that this kind of marketing is "equitable." The government officials go about recklessly opening closed doors and buying everything at will so they can corner all the goods. With goods cornered prices soar, and when prices soar the merchants make their own deals for profit. The officials wink at powerful racketeers, and the rich merchants hoard commodities and wait for an emergency. With slick merchants and corrupt officials buying cheap and selling dear we have not seen that your level is "balanced." The system of equitable marketing of ancient times was designed to equalize the burden of labor upon the people and facilitate the transporting of tribute. It did not mean dealing in all kinds of commodities for the sake of profit. [sec. 1:5a-b]

The Literati Attack Legalist Philosophy

The literati spoke: He who is good with a chisel can shape a round hole without difficulty; he who is good at laying foundations can build to a great height without danger of collapse. The statesman Yi Yin made the ways of Yao and Shun the foundation of the Yin dynasty, and its heirs succeeded to the throne for a hundred generations without break. But Shang Yang made heavy penalties and harsh laws the foundation of the Qin state and with the Second Emperor it was destroyed. Not satisfied with the severity of the laws, he instituted the system of mutual responsibility, made it a crime to criticize the government, and increased corporal punishments until the people were so terrified they did not know where to put their hands and feet. Not content with the manifold taxes and levies, he prohibited the people from using the resources of forests and rivers and made a hundredfold profit on the storage of commodities, while the people were given no chance to voice the slightest objection. Such worship of profit and slight of what is right, such exaltation of power and achievement, lent, it is true, to expansion of land and acquisition of territory. Yet it was like pouring more water upon people who are already suffering from flood and only increasing their distress. You see how Shang Yang opened the way to imperial rule for the Qin, but you fail to see how he also opened for the Qin the road to ruin! [sec. 7, 2:2b-3a]

Confucian Literati Ridiculed

His Excellency spoke: . . . Now we have with us over sixty worthy men and literati who cherish the ways of the Six Confucian Arts, fleet in thought and exhaustive in argument. It is proper, gentlemen, that you should pour forth

your light and dispel our ignorance. And yet you put all your faith in the past and turn your backs upon the present, tell us of antiquity and give no thought to the state of the times. Perhaps we are not capable of recognizing true scholars. Yet do you really presume with your fancy phrases and attacks upon men of ability to pervert the truth in this manner? [sec. 10, 2:10a–b]

See them [the Confucians] now present us with nothingness and consider it substance, with emptiness and call it plenty! In their coarse gowns and worn shoes they walk gravely along, sunk in meditation as though they had lost something. These are not men who can do great deeds and win fame. They do not even rise above the vulgar masses.

[From *Yantie lun*, sec. 1, 1:1a–5b; sec. 7, 2:2b–3a; sec. 10, 2:10a–b;
sec. 19, 4:10b — BW]

THE REFORMS OF WANG MANG

Though a brief period of prosperity followed the relaxation of Emperor Wu's fiscal policies, the economic health of the nation gradually worsened. Corruption spread through the government from top to bottom. In spite of frequent recommendations for the limitation of land and slave ownership, land and wealth became concentrated in the hands of large official or merchant families. As the peasants were deprived of their land or lost it because of natural disasters, they went into slavery or formed bands of robbers. Government-maintained dikes and waterworks fell into disrepair, increasing the menace of flood and drought. It was when conditions had reached a critical stage that Wang Mang managed to seize power and attempted to remedy the situation by a series of sweeping reforms.

WANG MANG: EDICT ON LAND REFORM

In 9 C.E. Wang Mang ordered the establishment of an equal landholding system based on the ancient "well-field" ideal. This involved the nationalization of all land, abolition of private landholding and prohibition of the sale of land or slaves. The attempt proved a failure and was repealed three years later. Subsequent proposals for solution of the land problem, which was a chronic difficulty in later dynasties, tended to follow along the lines suggested by these Han reformers, i.e., either simple limitation on landholding or outright nationalization and redistribution. Note how Wang Mang's edict follows the wording of Dong Zhongshu's memorial above.

The ancients set up cottages and wells with eight families to a "well-unit" (900 *mu*). One husband and wife cultivated one hundred *mu* of land, remitting one-tenth of the produce as tax. Thus the state enjoyed plenty, the people were rich, and the sound of hymns of praise arose in the land. This was the way of Yao