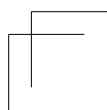
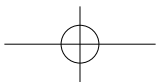
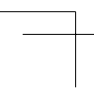
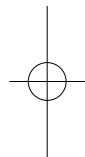
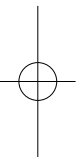
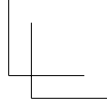
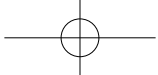
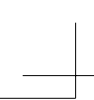


**SELECTED WORKS OF
TIAN ZHAOYUAN**

A History of Chinese Merchants (1997)
A Journey into the Divine World (1999)



English Translation of Chinese Culture Series

SELECTED WORKS OF TIAN ZHAOYUAN

A History of Chinese Merchants (1997)

TIAN ZHAOYUAN, TIAN LIANG

A Journey into the Divine World (1999)

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TRANSLATED BY TANG AIJUN

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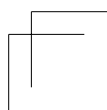
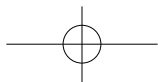
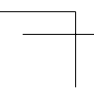
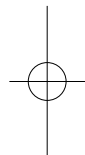
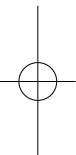
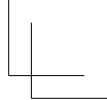
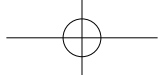
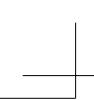
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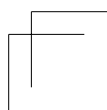
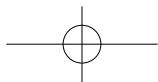
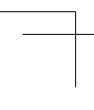
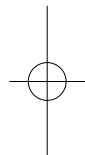
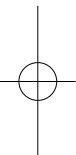
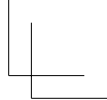
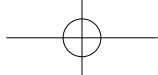
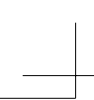
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A History of Chinese Merchants

TIAN ZHAOYUAN, TIAN LIANG

Translated by TANG AIJUN

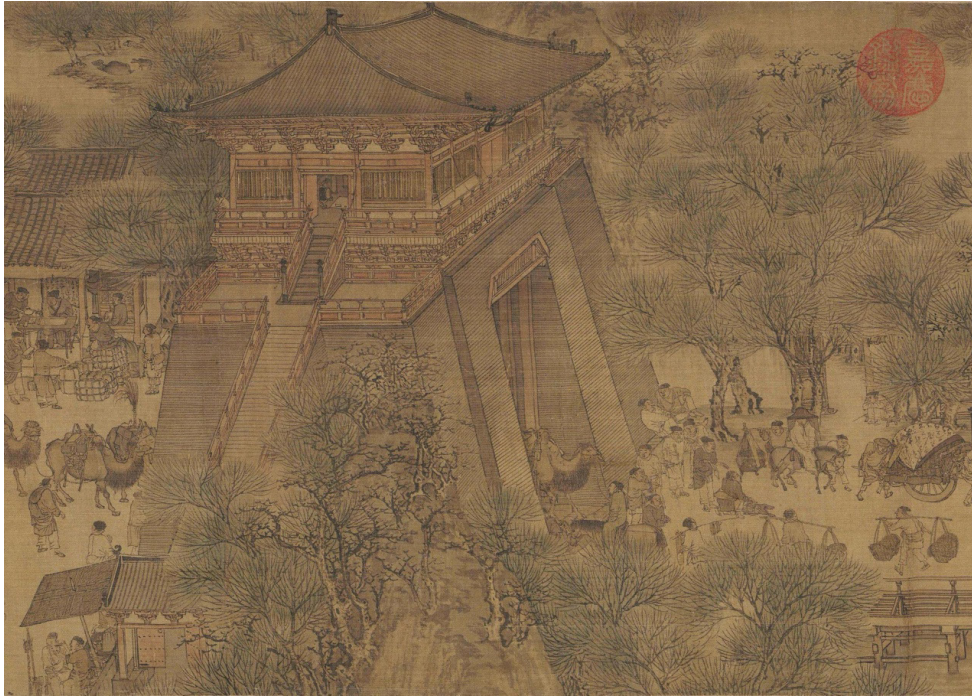




Fan Li, the ancestor of Chinese merchants



Brick relief depicting a market scene from the Eastern Han dynasty. Unearthed at Guanghan, Sichuan Province



A section from *Along the River During the Qingming Festival* by ZHANG ZEDUAN (1085-1145)

Merchants and traders in Bianjing (modern-day Kaifeng), the capital during the Song dynasty, are busy selling goods and loading their carts as they prepare to enter the city.

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文献内容及评价：该文献主要包括上海总商会1912年至1928年议事录，1913年至1927年办事报告，历次提案和章程，会员录，有关筹资垫款、举办商品陈列所、修改商会法、参与租界华人参政运动、征集商品参加国外博览会等有关文献，真实记录了上海总商会发生、发展的历史，对研究上海近现代政治、经济、社会的历史具有重要价值。



① 上海总商会议事厅照片（侧面图片）

The Council Hall of Shanghai General Chamber of Commerce.

Established in 1902 as the Shanghai Business Conference Office, it was the first
citywide chamber of commerce in China.



Dianchuntang Hall, located within the Yuyuan Garden in Shanghai, served as a villa for the Fujian guild in the sugar trade during the Qing dynasty.



Dianshizhai Pictorial: Modern Hankou merchants worship the God of Wealth with the deity's face turned inward, a gesture meant to keep their wealth from flowing out.

Chapter One **Glory and Gory**

Section One **A Glorious Rise**

In Chinese history, the concept of “honoring the fundamental activities while downplaying the trivial pursuits” reflects a preference for agriculture over commerce. For long periods, commerce was severely suppressed, and merchants held a low social status. However, the tradition of prioritizing agriculture over commerce was not always the case, nor were merchants perpetually downtrodden. There were times when they thrived, and their status fluctuated with ups and downs, joys and sorrows—it’s a complex story.

Initially, commerce was not considered an inferior profession, and merchants were not seen as lowly. Commerce was a great undertaking initiated by ancient emperors, with great emperors and ancestors personally engaging in it. From myths and legends, we can see the remarkable achievements of ancient emperors in pioneering commercial activities.

The Chinese nation is descended from the Yan and Huang Emperors, who are revered as the common ancestors of all Chinese people. The Yan Emperor (Shennong) and the Yellow Emperor (Huangdi) are believed to have been the earliest advocates and developers of commercial exchange. According to *The Book of Changes (Yi Jing)*: “After the demise of the Fuxi clan, the Shennong clan arose... At midday, markets were held, attracting people from all over, bringing together goods from everywhere to trade, with people

coming and going, each getting what they needed.” Shennong refers to the Yan Emperor, as directly stated in *Records of the Grand Historian (Shi Ji)*. “Markets held at midday” is the earliest commercial activity recorded in legend, and it was presided over by the Yan Emperor. This indicates that our ancient ancestors were also the founders of commerce. It is indeed puzzling that later generations regarded commerce as an inferior profession. When the Yellow Emperor governed the world, he significantly advanced commercial activities. The *Book of Changes* states that during the Yellow Emperor’s time, “They hollowed out wood to make boats, and sharpened wood to make paddles. The benefits of boats and paddles enabled people to cross impassable waters, benefiting the world through trade; they tamed oxen and horses to carry heavy loads over long distances, benefiting the world.”¹ The invention of boat and paddle transportation, as well as the domestication of oxen and horses for labor, greatly improved transportation conditions and made large-scale trade possible. It is also said that the Yellow Emperor’s era was a time of great peace: “Lost items were not picked up on the road, markets operated without price manipulation, city gates were not closed, there were no thieves in the towns, and people shared wealth with each other.” The phrase “markets operated without price manipulation” indicates non-interference in commercial activities, which starkly contrasts with the heavy interference in commerce by later generations. Thus, the Yan and Huang Emperors are truly regarded as the founders of commerce. This legend comes from Confucian classic *The Book of Changes*, suggesting that early Confucian culture did not exclude commercial activities. Confucius and Mencius did not speak much against merchants; on the contrary, Confucianism even produced great merchants like Zigong. This is crucial, as the later merging of Confucianism and commerce was essentially a cultural return.

Yao, Shun, and Yu are revered sages in Confucianism and direct descendants of the Yellow Emperor. According to *Records of the Grand Historian*, the great-grandson of the Yellow Emperor was Emperor Ku, who

1 “Surveying the Obscure”, *Huainanzi*.

begot Fangxun, later known as Emperor Yao. Regarding Emperor Yao's governance, *Huainanzi* says: "When Yao governed the world... those who lived by water fished, those in the mountains logged, those in valleys herded, and those on land farmed; land was cultivated according to its best use, tools were used for their intended purposes, and people were assigned roles that matched their abilities; those in marshes wove nets, those on hills plowed fields, exchanging what they had for what they lacked, and trading skills for what they were not skilled in." This explicitly states that Yao used trade as an important governance tool, meaning he strengthened social division of labor through commercial activities, which in turn promoted the development of trade. Yao became an organizer of commerce.

When Yao was the emperor, Shun was an ordinary citizen. Later, Yao, through recommendations and personal observation, discovered that Shun not only was a man of integrity but also talented for governance, and thus passed the throne to him. Before Shun accepted the throne, he had done many jobs. According to historical records, Shun "plowed on Mount Li, fished in Lake Lei, made pottery by the riverside, and crafted utensils in Shouqiu, trading in Fuxia."¹ This means Shun had been a farmer, fisherman, artisan, and small trader. *Records of the Grand Historian* explain "trading in Fuxia" as "following the times, seizing opportunities for profit, just as the *Great Commentary on the Classic of History* says, 'Trading in Dunqiu, trading in Fuxia,' and Mencius mentions "moving to Fuxia." The tenth volume of *Yishi* quotes *Shizi*: "Buying low in Dunqiu and selling high in Chuanxu to cut costs and boost profits." Buying cheaply and selling dearly is a shrewd commercial behavior. This personal experience is something that Yan and Huang did not have, making Shun the first known person in our history to personally engage in trade, earning him the title of "the first merchant of China." His practice of buying low and selling high became a common principle followed by merchants in later generations.

During the reign of Yu, the unification of the nation led to further

¹ "Annals of the Five Emperors", *Records of the Grand Historian*.

development in commercial activities. A notable milestone was the use of currency during the Xia dynasty. Archaeological findings indicate that natural shells were used as currency as early as the late Neolithic period, though details are unclear. Historian Sima Qian remarked, “The routes for agricultural, industrial, and commercial transactions were established, and currencies such as tortoise shells, cowries, gold, and knives emerged. This practice dates back a long time, even before the reign of Emperor Gaoxin.”¹ The currencies before the Xia and Shang dynasties were generally referred to as “three types.” Du You stated, “The use of currency dates back far! Before the Xia and Shang dynasties, there were three types of currency (pearls and jade as upper currency, gold as middle currency, and silver as lower currency).”² However, this statement is not very convincing because gold and silver were not archaeologically confirmed before the Xia dynasty. A more reliable record is that “black cowries were used in the Xia dynasty.”³ Cowries were found in large quantities in Shang dynasty sites and frequently mentioned in bronze inscriptions, for example, the inscription on the bronze vessel of the minor minister Yi Jiang stated, “The king awarded the small minister Yi ten strings of cowries,” so it is likely that black cowries were used for transactions during the Xia dynasty. It is also said that gold coins were used during the Xia dynasty. For instance, *Guanzi* mentions, “Yu cast coins with the gold from Mount Li.” Whether Yu actually cast gold coins is not important; the key point is that the revered emperor Yu was believed to have overseen such a significant activity, indicating that commerce was not a trivial pursuit but a major state undertaking.

The Five Emperors and Three Kings are regarded as the bedrock of Chinese culture. Their accomplishments are considered the beginning of human civilization. They either directly pioneered commercial activities, established essential conditions for the development of commerce, or

1 “Treatise on Equalization”, *Records of the Grand Historian*.

2 “Du You”, *Tongdian*, Volume 8.

3 “On Counterfeit Coin”, *Discussions on Salt and Iron*.

personally engaged in trade. Thus, commerce was a great creation of the ancestors and a grand enterprise of the ancient kings. In their era, commerce was sacred and personally engaged by the emperors. How could it be regarded as a trivial pursuit?

After Shun became the first known merchant, there was another merchant in the Shang dynasty, who was also an emperor—Wang Hai, the ancestor of the Shang people. Wang Hai was said to have invented the ox cart. He did business with tribes, travelling on ox carts and used silver or gold as currency. *The Classic of Mountains and Seas* recounted that Wang Hai was killed by the ruler of the Youyi tribe, who seized his “servant ox,” likely referring to the ox cart. Wang Hai was a king who sacrificed his life for commercial interests. It is not surprising that the Shang people held grand ceremonies to honor Wang Hai, offering 300 oxen at a time, possibly venerating him as a commercial deity to bless their business endeavors.

The Shang people had a commercial tradition. Even after the Shang dynasty’s fall, the Shang descendants continued commercial activities. The Duke of Zhou advised the Shang descendants under the command of King Cheng, “Engage in millet and rice cultivation, work diligently for your fathers and elders, harness oxen and carts, and conduct long-distance trade to support your parents.”¹ Driving ox carts for long-distance trade was a tradition from their ancestor Wang Hai. The Shang people’s adherence to their ancestral trade practices gave rise to merchant families, leading to the saying that the sons of merchants often became merchants themselves.

Some believe that the Shang people’s engagement in commerce reduced their social status during the Zhou dynasty, sparking the tradition of downplaying commerce. This view is incorrect. In the early Zhou period, commerce was equally valued. Scholar Hu Jichuang pointed out, “Ancient texts show no sign of contempt for the importance of the craft industry and

1 “The Wine Announcement”, *The Book of Documents*.

commerce at the zenith of the Western Zhou dynasty.”¹ During the Western Zhou period, merchants and commerce continued to flourish, contributing to the prosperity of society.

When King Wen faced a natural disaster, the people’s basic needs became a pressing issue. Ensuring the availability of goods and alleviating poverty became top priorities. King Wen immediately facilitated commerce by opening checkpoints and allowing grain to flow freely.² There soon appeared a scene of carriages transporting grain rapidly. Grain merchants, at least during this time, benefited from such measures.

When King Wu defeated the Shang and established his capital, his primary concern was population growth to present an image of prosperity and peace. The Duke of Zhou devised a strategy to attract people by offering rewards to merchants: “Those who bring their families to settle in the Three Houses will receive a land grant equivalent to that of a noble.” This was an incentive to attract merchants. The land grant for a merchant was equivalent to the land allotment for a noble, an unimaginable gesture in later times. Additionally, urban development provided conveniences for merchants:

*Checkpoints are established and roads are constructed. Within five miles lie the outskirts of the town, every ten miles there are wells, and every twenty miles there are lodges. Travelers from afar can come inside the town to conduct trade with locals, and the lodges provide places to store goods.*³

Merchants were provided with lodging, a practice that could be likened to “building nests to attract birds.” Unlike today, roads back then were not as accessible, so convenient transportation was a fundamental prerequisite for commercial activities, making large-scale trade possible. The arrangements included water and lodging, which were very thoughtful, indicating that the government was indeed providing services for merchants.

1 Hu Jichuang, *A Concise History of Chinese Economic Thought*, 6, Chinese Academy of Social Sciences Press, 1981.

2 “The Great Rectifier”, *The Ji Family’s Book of Zhou*.

3 “The Great Assembly”, *The Ji Family’s Book of Zhou*.

Besides these physical infrastructures, there were also pro-commerce “soft” policies in the early Zhou period. Firstly, there was a major policy of promoting the craft industry and commerce: “Craftsmen are employed for their craft to work on their materials, and merchants were encouraged to trade in the markets to facilitate the flow of goods.”¹ To foster commercial development, it was essential to have open and equitable markets without burdening merchants with heavy taxes: “Markets were open and fair, resources were not hoarded or wasted, and merchants were not lacking in capital.” The Duke of Zhou considered this strategy a key to promoting commerce: “When markets are open and fair, merchants flock to them.”² The Duke of Zhou not only established rituals and music but also formulated grand plans for the development of commerce. Merchants during the Western Zhou period enjoyed policy protection for healthy development.

Commercial development during the Zhou dynasty was regulated by laws, and market management was highly organized. Every city had designated markets. *The Book of Rites: Record of Trades* describes the layout: “Craftsmen planned the city, nine *li* in circumference, with three gates on each side, ancestral temples on the left, altars on the right, the court in front, and the market behind.” This system of market management was very rigorous. *The Book of Rites* details the duties of market officials:

The Market Supervisor: Responsible for market governance, education, administration, measurements, and prohibitions. They arrange and divide the market areas into different sections, organize stalls and classify goods to ensure fair trading, enforce regulations to prohibit the sale of overly luxurious items and ensure reasonable transactions. By attracting merchants, the market becomes abundant with goods and currency circulation is boosted. By adopting standardized measurements, they encourage transactions and settle debts. Trust is established through quality guarantees to resolve disputes. Junior officials like ushers and

1 “The Great Assembly”, *The Ji Family’s Book of Zhou*.

2 “The Great Assembly”, *The Ji Family’s Book of Zhou*.

market supervisors oversee the market to prevent the sale of counterfeit goods and eradicate fraud. Thieves are punished and robbery deterred. The treasury's involvement in purchasing or lending money helps to keep the market stable. The main market starts trading after midday, primarily serving the common people; the morning market operates in the early hours, mainly for merchants; the evening market operates at dusk, mainly for peddlers.

The Market Supervisor was akin to a modern market manager, overseeing all aspects of market regulation. Other officials were responsible for various aspects such as quality, pricing, taxation, and security. Whether such a strict market management system existed during the Western Zhou period is uncertain, but even today, this plan seems comprehensive. The Western Zhou's emphasis on strict rites and careful market planning suggests that officials carried out their duties following established rules, which were not fabricated by people of later times.

The market prohibitions of that time are both interesting and beneficial to read today. *The Book of Rites: Royal Regulations* states:

Precious items like jade and gold are not sold in the market, nor are official robes and chariots, ancestral temple vessels, sacrificial animals, weapons of war, items not meeting standards, incomplete chariots, textiles not meeting quality or size standards, counterfeit goods, items with mixed or impure colors, patterned textiles, pearls, jade, and finely crafted items, food and clothing, unripe fruits and grains, unseasoned timber, and animals or fish not fully grown.

Apart from a few items that may seem unsuitable today, the substandard products, counterfeit goods, weapons, and products harmful to the environment align well with today's requirements. These regulations protect nature, society, and personal safety, thereby making the market better regulated, and thus are beneficial and reasonable. Merchants were undoubtedly expected to comply with these rules; otherwise, they would be regarded as engaging in criminal activities and deemed harmful to the nation and people.

During the Western Zhou period, commerce developed rapidly thanks to the numerous conveniences provided by the government and the strict, standardized regulations on commercial activities. These measures allowed merchants to thrive within the framework of the law.

It's difficult to find specific instances of merchant activities during the Western Zhou period, but we can find numerous laws and regulations concerning markets and commerce. These laws and regulations suggest that the Western Zhou period was conducive to commercial development. We can infer that the Western Zhou was a golden age for commerce; otherwise, a group of prominent merchants wouldn't have emerged suddenly during the Eastern Zhou period. These merchants must have learned from the experiences of their predecessors in the Western Zhou dynasty and also adapted to the changing times.

It is highly possible that these market regulations were truly implemented during the Western Zhou period, because, to a large extent, the craft industry and commerce were state-operated at that time, making management relatively straightforward. *Discourses of the States: Discourses of Jin* states: "Lords lived on tribute, officials lived off their fiefs, scholars lived off their lands, commoners lived by their labor, craftsmen and merchants were sustained by the state, and servants lived by their duties." Historian Fan Wenlan categorized craftsmen and merchants as part of the ruling class of the Western Zhou,¹ indicating that under the "state-operated craft industry and commerce" system, the industrial and commercial classes held significant status. Merchants were directly managed by the state, so the state's directives were easily implemented, and conflicts between officials and merchants were minimal.

Of course, not all merchants during the Western Zhou were state-managed. When the Duke of Zhou established cities, his policies aimed to attract private craftsmen and merchants. These craftsmen and merchants enjoyed some freedom and state protection while also receiving stipends. The hierarchical social structure of the time included ten different ranks: "Dukes

1 Fan Wenlan, *General History of China*, Vol. 1, People's Publishing House, 1978.

serve kings, grandees serve dukes, scholars serve grandee, commoners serve scholars, villagers serve commoners, servants serve villagers, laborers serve servants, slaves serve laborers, prisoners serve slaves.”¹ This structure did not mention craftsmen or merchants, indicating that they were likely free citizens similar to self-employed farmers. They paid market taxes but were free.

There were two basic terms for commoners in the Western Zhou period: “rural people” referring to farmers living in the countryside, and “urban people” referring to craftsmen and merchants living in the city. As a social class, the power of the “urban people” grew, especially in the capital city. During the reign of King Li of Zhou, his tyranny incurred much criticism from the urban people, marking the beginning of conflicts between the king and the group of craftsmen and merchants.

For a long time, merchants benefited from political favor and equitable markets, gaining economic advantages. The growing “urban people” class was no longer satisfied with just gaining economic benefits and began to demand political influence. When their long-enjoyed superior status was threatened, resistance was inevitable. It was said King Li of Zhou was tyrannical, and the people constantly criticized him. Duke Mu of Shao warned King Li, saying, “The common people can no longer endure your oppressive rule!” Enraged by this, King Li sought out sorcerers from the state of Wei and instructed them to monitor those who criticized him. Based on their reports, he executed anyone who spoke against him. As a result, the people were too frightened to speak openly and, when they met on the streets, they only communicated by making eye contact. Three years later, the “urban people” could no longer stand King Li’s ruling and insurrected, eventually deposing him.² This event demonstrated the immense power of craftsmen and merchants.

The direct conflict between craftsmen and merchants and the king led to the gradual disintegration of the “state-operated” system. The “urban people” primarily consisted of private craftsmen and merchants, and their conflict

1 “7th Year of Duke Zha”, *Zuo’s Commentary*.

2 “Discourses of Zhou”, *The Discourses of the States*.

with the king was not just because of King Li's tyranny but because of their financial losses. *Discourses of Zhou* from *The Discourses of the States* records:

King Li of Zhou favored Rong Yigong. Rui Liangfu warned, "The Zhou dynasty is on the brink of decline! Rong Yigong likes to monopolize all profitable resources without considering the hidden dangers. Profits are generated by all things in nature, created by heaven and earth. If one monopolizes them all, it causes great harm. People rely on these resources to survive. How can they be exclusively enjoyed by one person? He has angered many people but is unaware of the great disasters he faces. If he teaches you these ideas, how can you ensure long-term stability? Therefore, a ruler should know how to manage and distribute wealth so that it benefits both the divine and the people. Even then, one must remain vigilant all the time to avoid resentment from different parties.

Rong Yigong's monopolization of profits likely meant imposing additional taxes on craftsmen and merchants to increase revenue. This was not contradictory to the Western Zhou's property system since all land was theoretically owned by the king. It sounds natural for the king, the landowner, to regulate taxes. However, by the late Western Zhou period, the well-field system had broken down, and there were few farmers left to cultivate public land, creating a significant problem for bureaucratic stipends and court expenses. Having been left to develop for quite some time, it seemed that craftsmen and merchants had become quite rich, so King Li and Rong Yigong targeted them for revenue. The king's attempt to "monopolize profits" inevitably led to conflicts as the interests of "urban people" were harmed.

Obviously, Rui Liangfu spoke on behalf of the craftsmen and merchants, arguing that "heaven's wealth is for all" rather than for the king alone. His firm stance aimed to protect the interests of the "urban people."

The problem was that the traditional sources of state revenue had dried up. During King Li's reign, the well-field system (a form of labor rent where the emperor and lords used the people's labor for profit) had been abolished.

How could the government sustain itself? Clearly, a reform of the taxation system was necessary. This reform involved the redistribution of wealth, which gave rise to numerous conflicts. After King Xuan ascended to the throne, he announced the abolition of the labor rent system, stating, “No longer shall we use farmers to cultivate public fields,”¹ thereby formally ending the system. With the abolition of the labor rent system, the question arose: how would the government generate revenue? This posed a significant challenge to the rulers of the Western Zhou dynasty.

King Li’s autocracy resulted in his exile by the “urban people,” an event with complex consequences. This act demonstrated the power of the “urban people” and served as a warning to the rulers about their influence. The success in exiling the king revealed that these “urban people” were not merely ordinary citizens but powerful and wealthy families, and had been a significant threat to the central government. Their emergence necessitated heightened vigilance from the rulers.

The merchants also faced the challenge of balancing personal interests with national interests. Understandably, they found it difficult to accept the tax increases brought by the reform. However, if these changes did not impede business development, merchants would cooperate; otherwise, the consequences could be even more destructive for them. Beyond their economic duty of paying taxes, merchants should also fulfill their national obligations, such as military service. During King Xuan’s reign, a defeat in the southern regions exposed the kingdom’s financial and military weaknesses. In response, King Xuan decided to conduct a population census to prepare for tax collection and conscription, known as “counting the people.”² While this was a perfectly reasonable measure, it faced strong opposition. A minister named Zhongshanfu argued:

The people cannot be counted! Since ancient times, it has been possible to know the population without a census because the Office of

1 The decline of the system of state-owned fields began during the reign of King Li.

2 “Discourses of Zhou”, *The Discourses of the States*.

Civil Affairs is responsible for recording births and deaths; the Office of Commerce is responsible for assigning clan names; the Office of Agriculture is responsible for population movements; and the Office of Justice is responsible for executing criminals..... As they know the numbers of births and deaths, movements, and activities. These officials were well-versed in the population, so why count? If we count them now, it will show our lack of resources and invite trouble. Revealing our weaknesses to the nobles would cause them to avoid us. Governing with such a lack of resources is harmful, and this unnecessary counting is hated by heaven, detrimental to governance, and damaging to future generations.”¹

Zhongshanfu’s argument was baseless; what harm could there be in conducting a population census? He claimed that “in ancient times, rulers knew the population size without counting.” But knowing the number of people likely meant they had already conducted a census. His opposition was merely an excuse to avoid military service and taxes. His assertion that counting the people “is hated by heaven, harmful to governance, and damaging to future generations” was purely alarmist and unfounded. This planned census faced enormous resistance, and historical records show that by the time of King You of Zhou, the census was “abolished,” the attempt failed.

Looking at the later practice in the Qin state of conscripting criminals and merchants, it seems the “counting the people” initiative was primarily targeted at craftsmen and merchants, and the king’s monopoly was also aimed at the profits of merchants. Although King Xuan was regarded as a ruler who attempted a revival, the conflicts between him and the merchants were profound. One reason was his father’s exile by craftsmen and commercial practitioners, and another was their obstruction of the “counting the people” initiative. The growing power of merchants not only led to the king’s exile but also seemed to threaten the very existence of the Zhou dynasty, prompting King Xuan to take a harsh stance against them.

1 “Discourses of Zhou”, *The Discourses of the States*.

According to historical records, during King Xuan's reign, a children's rhyme went like this: "Millet bows and bamboo arrows will destroy the Zhou kingdom."¹ This was a political prophecy, evidently adding insult to injury for the already struggling Western Zhou authorities and inciting political panic. The *Collected Explanations* quotes Wei Zhao's note: "Millet is a type of mountain mulberry tree used to make bows; bamboo is a type of wood to build quivers." This prophecy, suggesting that a particular type of bow and quiver would lead to the downfall of the Zhou dynasty, was highly inflammatory, akin to the later prophecy "One-eyed stone man will stir up rebellion across the land." This "bow and quiver destroying the Zhou kingdom" rhyme was a call to the people to get armed and overthrow the Zhou dynasty. At the time this rhyme was circulating, a couple was selling these items, clearly indicating that merchants were organizing and inciting another uprising. King Xuan happened to hear this rhyme and was greatly alarmed, immediately ordering the couple to be arrested and executed.² The merchant couple quickly fled to the state of Bao, bringing along a girl they had adopted on the way. This girl was later presented to the Zhou king, and she became known as Bao Si, similar to how Xi Shi was sent to Wu, seemingly carrying the mission to bring down the Zhou dynasty. The orchestrators of this plot were a pair of merchant husband and wife. By the end of the Western Zhou period, the conflict between merchants and the king had become irreconcilable.

During King You's reign, aside from his notorious favoritism towards Bao Si, the worsening conflicts with the "urban people" became the fundamental reason for the fall of the Western Zhou dynasty. According to *Records of the Grand Historian*:

King You appointed Guo Shifu as minister. His actions caused resentment among the people. Guo Shifu was a sycophantic and greedy individual, yet the king employed him.

1 "Annals of Zhou", *Records of the Grand Historian*.

2 "Annals of Zhou", *Records of the Grand Historian*.

Here the “people” refers to craftsmen and merchants. Guo Shifu’s main offense was his greed, which likely meant exploiting craftsmen and merchants. The conflict between the king and the “urban people” had become irreconcilable.

If we look at King You’s downfall, it is evident that the merchants first plotted “Bao Si attracting King You”, and then the “urban people” further contributed to the Western Zhou’s collapse. The conclusion that merchants brought about Western Zhou’s downfall is quite reasonable. From King Li through King Xuan to King You, the central conflict in the country revolved around “monopolizing profits” and “counting the people,” which caused strife with the “urban people.” The tensions between the Zhou kings and craftsmen and merchants were the primary social conflict of the late Western Zhou period.

The “urban people” brought about the dynasty’s fall. This was a significant political achievement for merchants. After King Ping moved the capital eastward, the power of the central government waned. The “urban people” did not follow King Ping to the eastern capital but remained in their homeland, vulnerable to the raids by Quanrong, an ethnic minority. Consequently, they sought refuge in various feudal states, aiding in local economic development and gaining their prosperity. This period marked the most splendid era for Chinese merchants.

Historian Fan Wenlan noted the situation of merchants since the end of the Western Zhou:

Since the Gonghe Regency (847-828BC), craftsmen and merchants grew increasingly prosperous. During King You’s time, many nobles went bankrupt and became impoverished, while commoners accumulated wealth and could attain official positions and titles, living like aristocrats. Even nobles sought to engage in trade, aiming to triple the profit. Duke Huan of Zheng, foreseeing the fall of the Zhou, formed mutual assistance pacts with merchants, enlisting their help to establish the new state of Zheng. By the end of the Western Zhou, merchants’

*status had risen, they shared political power, and the traditional aristocrats were dissatisfied, as reflected in numerous resentful poems in the Book of Songs.*¹

This summarizes the social life of the late Western Zhou. In such a period of rapid change, the social status of various classes underwent significant transformations, turning “high hills into valleys and deep valleys into hills.”² While merchants’ status improved, they also faced more enemies, signaling a potential crisis amid the success.

We will provide some notable examples to illustrate the prosperous merchants in different states during the Spring and Autumn period.

I. Merchants of Qi and Lu

The lands of Qi and Lu were granted to the most trusted clans of the Zhou dynasty. Located by the sea and far to the east, these regions were distant from the central authority and inhabited by indigenous peoples. Therefore, only trusted individuals were granted these territories. Duke Zhou of Lu and Duke Tai of Qi were important founders of the Western Zhou dynasty, and they brought Zhou’s pro-commerce traditions to the states of Qi and Lu.

As previously mentioned, Duke Zhou was a strong supporter of commerce. Lu was known as the land of propriety and ritual, and it also had a vibrant commercial atmosphere. During the Spring and Autumn period, the people of Lu were “more eager for trade and profit than the Zhou people,” likely reflecting Duke Zhou’s influence. Confucius, who founded Confucianism and held a disdain for agriculture and crafts, did not oppose commerce. His disciple Zigong was a prominent merchant, and Confucius did not object to his business. Confucius said, “Hui is nearly perfect, but lives in poverty. Zigong does not accept his fate but engages in commerce, and his calculations are often accurate.”³ By comparing Zigong with his

1 Fan Wenlan, *General History of China*, P. 96-97.

2 “Minor Odes, On the Tenth Month”, *Book of Songs*.

3 “The Progress of the Disciples”, *The Analects*.

favorite disciple Yan Hui and praising Zigong's thorough and reasonable considerations, Confucius indirectly acknowledged the value of commerce. Confucius even compared himself to a commodity, saying, "Sell me, sell me, I am waiting for a buyer,"¹ indicating his willingness to offer his service to state leaders. The influence of Confucian thought in Lu led many to abandon literary pursuits for commerce.

Biographies of Wealthy Merchants in Records of the Grand Historian (Shi Ji) recorded:

The people of Lu were frugal and diligent, and the family of Cao Ping was particularly so. They amassed great wealth through iron smelting and became immensely rich. However, they maintained strict discipline within their family across generations, so everything they did brought profit. Influenced by the family, many people in Zou and Lu abandoned literary studies and pursued profit.

Early Confucianism did not disdain commerce. No wonder people abandoned scholarly pursuits and went after profit. This characteristic of early Confucianism was highlighted by Hu Jichuang, who noted: "The early Confucian attitude of not opposing commercial activities was unique in the ancient world. In China, it stands out sharply against the prevailing contempt for commerce over the subsequent two millennia."² The tradition of the people of Lu "eagerly pursuing trade and profit" was overshadowed by its glamour of propriety and ritual and was forgotten later.

In contrast to Lu, the commercial focus of the people of Qi was widely recognized. The founder of Qi, Jiang Taigong, had a background in trade. According to the *Historical Investigations*, before meeting King Wen, Jiang Ziya "slaughtered cattle in Chaoge and sold food in Mengjin," suggesting he ran a butcher shop and a food stall. Such a person becoming a military strategist and later being enfeoffed as the Marquis of Qi naturally led to a pro-commerce stance. Historical records state, "When Taigong arrived in Qi, he

1 "Rarely Mentioned", *The Analects*.

2 Hu Jichuang, *A Concise History of Chinese Economic Thought*, p.43.

reformed the administration, simplified rituals according to local customs, promoted commerce and craft industry, facilitated the fish and salt trades, and attracted many people to Qi, making it a powerful state.”¹ Qi’s rise as a major power was fundamentally linked to its commercial success.

The state of Qi truly became a major power during the reign of Duke Huan of Qi. With the assistance of Guan Zhong, Duke Huan rose to hegemony. Before Guan Zhong gained power, he had partnered with Bao Shuya in some business ventures. Reflecting on this period, Guan Zhong once said, “When I was in difficult times, I partnered with Bao Shuya in trade. I took a larger share of the profits for myself, but Bao Shuya did not consider me greedy, knowing that I was poor.”² This statement reveals that Guan Zhong indeed engaged in profit-seeking behavior, demonstrating his shrewdness and calculative nature, even at the expense of his friends. As Prime Minister, Guan Zhong continued to promote commerce, “facilitating trade and accumulating wealth to strengthen the state and its military.” He also became very wealthy himself. According to *Records of the Grand Historian*, “Guan Zhong’s wealth rivaled that of the royal household, owning three mansions and multiple estates, yet the people of Qi did not consider this extravagant.”³ While the exact nature of these estates remains unclear, it is a fact that Guan Zhong amassed great wealth. As the Prime Minister, his pursuit of wealth set an example for the people of Qi, leading to a strong commercial drive among them.

The prosperity of Qi’s commerce was due to its openness, the government’s favorable tax policies and excellent commercial facilities, which attracted merchants from all over. Firstly, there were tax incentives: “Qi extended its fish and salt trade to Donglai, and waived market tolls to benefit the feudal lords, earning their praise.” This policy made trade profitable for the merchants, attracting numerous merchants from other feudal states.

1 “The House of Duke Qi”, *Records of the Grand Historian*.

2 “The Biographies of Guan and Yan”, *Records of the Grand Historian*.

3 “The Biographies of Guan and Yan”, *Records of the Grand Historian*.

Additionally, Qi provided various conveniences for visiting merchants. According to *Guanzi: Light and Heavy II*, “The state established guesthouses for visiting merchants: those with one cart were provided with food, those with three carts with fodder, and those with five carts with maintenance services. Merchants from all over China flocked to Qi like flowing water.” As a result, Qi became a hub of commercial activity, with local wealthy merchants and influential traders growing increasingly powerful, and even prominent merchants from other regions converging in Qi.

For example, Fan Li, after helping King Goujian of Yue defeat the state of Wu, abandoned his official position to become a merchant. Within nineteen years, he amassed considerable wealth, traveling incognito to Qi under the name Chi Yizi Pi.¹ He even participated in Qi’s politics for a time identified as Chi Yizi Pi, as noted in the *Suoyin* citing *Han Feizi*: “Chi Yizi Pi served Tian Chengzi, who later left Qi for Yan, and Chi Yizi Pi followed him.” Tian Chengzi, a powerful minister of Qi, showed early signs of usurping power. Uninterested in politics, Fan Li turned to commerce. Another prominent merchant during the Spring and Autumn Period Zigong was so influential that “he traveled in luxurious carriages drawn by four horses, carrying bundles of silk as generous gifts to visit and present to the feudal lords. Wherever he went, the rulers greeted him with equal respect and courtesy, standing as equals when exchanging formalities.”² He ultimately “settled in Qi,”³ demonstrating that Qi was a haven for merchants who sought to prosper. Qi’s open commercial policies were crucial to its commercial development and the foundation of its strength.

During the time of Guan Zhong, the state of Qi saw its commerce reach new heights. However, this period of prosperity was soon followed by great challenges for merchants. Several events can be seen as both pioneering achievements in commercial history and ominous signs of future troubles for

1 “The Biographies of Wealth Accumulators”, *Records of the Grand Historian*.

2 “The Biographies of Wealth Accumulators”, *Records of the Grand Historian*.

3 “The Biographies of the Confucian Scholars”, *Records of the Grand Historian*.

merchants:

1. Duke Huan of Qi and Guan Zhong's "Four Classes"

Duke Huan of Qi and Guan Zhong, in their discussion of the "four classes", gave merchants a place in society, but also imposed limitations on their development. The historical record of their conversation is as follows:

Duke Huan asked, "How should we manage the affairs of the people?" Guan Zhong replied, "The four classes should not be mixed. If they are mixed, their words and actions will become disorderly." The duke then asked, "How should we place scholars, farmers, craftsmen, and merchants?" Guan Zhong responded, "In ancient times, wise kings placed scholars in quiet and peaceful areas, craftsmen in official workshops, merchants in the marketplaces, and farmers in the fields. Thus, let the scholars gather and reside together so that in their leisure time, fathers discuss righteousness, sons discuss filial piety, those who serve their lords discuss respect, and the younger ones discuss fraternal duty. From a young age, they grow accustomed to these practices and find peace in them, without being swayed by unfamiliar things. Therefore, the teachings of their fathers and elder brothers are effective without being stern, and the learning of their younger brothers is successful without being strenuous. Consequently, the sons of scholars always become scholars.....

Likewise, let the merchants gather and reside together, observing the seasons and monitoring the resources of their localities to understand the market prices. They carry goods, bear loads, and use oxen and carriages to travel across regions, exchanging what they have for what they lack, buying cheaply and selling dearly. From dawn to dusk, they engage in their trade, spreading their knowledge to their children, discussing profits, demonstrating the benefits, and explaining the market dynamics. From a young age, they grow accustomed to these practices and find peace in them, without being swayed by unfamiliar things. Therefore, the teachings of their fathers and elder brothers are effective

without being stern, and the learning of their younger brothers is successful without being strenuous. Consequently, the sons of merchants always become merchants.....¹

While this division increased the efficiency and expertise of each class, it also created a significant problem: the division of the four classes reduced their overall vitality. Merchants taught their children to pursue profit, and as a result, merchants' children remained merchants, losing the potential to participate in politics. Guan Zhong's "Four Classes Theory" gave merchants a respectable status but deprived them of the opportunity to achieve higher positions.

2. Price Stabilization Policy

According to *Book of Han: Grain Trade*, Guan Zhong implemented a price stabilization policy:

When Guan Zhong was assisting Duke Huan of Qi, he regulated grain prices. He noted that during years of poor harvests, grain prices would rise, and during years of abundance, they would fall. Similarly, when the demand for certain goods was high, their prices would increase. If the ruler did not manage these fluctuations, merchants would hoard goods and exploit the people's needs, earning profits many times their cost. Therefore, in a large state with ten thousand chariots, there must be merchants with ten thousand gold coins; in a smaller state with a thousand chariots, there must be merchants with a thousand gold coins. The profits tended to be amassed into individual hands. By calculating costs and controlling supplies, the state could ensure that everyone had enough. When people had surplus goods, prices would fall, so the ruler would buy them cheaply; when people were in need, prices would rise, so the ruler would sell them dearly. By adjusting prices in this way, the market would remain stable. This policy prevented large merchants from exploiting the people.

The price stabilization policy aimed to prevent price gouging and

¹ "Discourses of Qi", *The Discourses of the States*.

maintain social stability, which was crucial for the state's prosperity. The government would intervene in the market to control essential goods so it would be impossible for greedy merchants to make exorbitant profits. Buying them at low prices during times of abundance and selling them at higher prices during shortages kept prices stable. Although the initial price regulation was effective, over time, the government imposed tight control over prices and dominated large-scale trade, thereby limiting the growth of merchants.

3. State Monopoly on Salt and Iron

This system evolved from the price stabilization policy. Salt and iron were essential commodities for both production and daily life, having high demand and significant prices. The state of Qi, with its extensive coastline of over two thousand li, had abundant salt resources, while many inland feudal states often relied on Qi for their salt supply. If merchants controlled this resource, the profits would be immense. Guan Zhong nationalized these profits by implementing the following method:

Guan Zhong said, "Qi has the salt from the channels of Zhan. I propose that the state cuts firewood and boils the saltwater to produce salt and then stores it." Duke Huan agreed. By October, the production began, and by January, they had produced thirty-six thousand measures of salt. Duke Huan asked, "How should we use this salt?" Guan Zhong replied, "With the arrival of spring, agricultural activities will start. The nobles should not be allowed to repair tombs, build palaces, construct terraces, or build walls. The people of Beihai should not be allowed to gather for communal labor to produce salt. If this is done, the price of salt will increase tenfold." Duke Huan agreed and ordered the salt to be sold to the states of Liang, Zhao, Song, Wei, and Puyang. The total revenue from this sale was over eleven thousand jin (5,500kg) of gold.¹

This massive enterprise was run by the state as individual merchants could not undertake such large-scale operations. The profits from the salt

1 "Light and Heavy I", *The Guanzi*.

business went to the state instead of private merchants, naturally slowing down the development of private commerce. Iron, another crucial commodity, was also highly valued by Qi. According to *The Guanzi: Light and Heavy II*:

Duke Huan said, "Heng advised me that for a farmer needs tools like a plow, a hoe, a sickle, a small hoe, and a short sickle to be more productive. Similarly, a cartwright requires an axe, a saw, iron nails, a drill, a chisel, a hammer, and an axle iron. A female worker needs a pair of scissors, a mallet, needles, and long needles. He suggested that we issue orders to cut down trees and forge iron, ensuring sufficient resources without levying taxes." Guan Zhong replied, "That approach won't work. If we send criminals to cut trees and forge iron, they'll escape and become uncontrollable. If we conscript the general populace, they'll harbor resentment against the ruler. When a border conflict arises, these grievances will deter them from fighting for the state. The benefits of cutting trees and forging iron are uncertain, and the nation risks internal strife. Instead, it's better to delegate these tasks to private enterprises with the calculation of production cost and profit margins, allowing people to keep seventy percent of the profits while the ruler takes thirty percent. The ruler can then regulate prices to manage the process. This way, the people will be motivated to work diligently and willingly follow the ruler's directives."

Given the unique nature of mining and metallurgy, full state control was deemed unsuitable. Instead, a joint public-private operation was adopted, allowing the people to retain 70% of the profits while the state took 30%. Although production was a collaborative effort, the state maintained a monopoly on sales, ensuring the majority of profits went into the state treasury.

Grain was also monopolized by the state.

The state monopoly on salt, iron, and grain was profitable for the government but limited opportunities for private merchants. This monopoly system later became a powerful tool for restricting commercial activities.

Although the state monopoly on salt and iron was a pioneering initiative, it harmed private merchants.

As a politician, Guan Zhong understood that the growing power of merchants could potentially threaten the king's authority. He warned Duke Huan:

Guan Zhong said, "In a state with ten thousand chariots, there will be merchants with ten thousand taels of gold. In a state with a thousand chariots, there will be merchants with a thousand taels of gold. These merchants are not the king's allies but his competitors. If the king does not manage his decrees carefully, it will be like having two rulers in the same country." Duke Huan asked, "What do you mean by two rulers in the same country?" Guan Zhong replied, "When merchants take the king's revenue, prices of all goods rise, and wealth accumulates with the merchants. This effectively creates two rulers in one country. Merchants exploit the people's weaknesses, causing the poor to lose what little they have, further impoverishing them. Farmers lose their grain, leaving them even poorer. Therefore, if a king cannot manage his resources and the wealth of his lands wisely, he cannot establish his rule."

Guan Zhong pointed out that wealthy merchants were not the king's allies but rather his adversaries. Their monopolistic behavior could ruin the populace and, in turn, destabilize the government. Hence, the king needed to control natural resources to ensure the people's support. Consequently, the king had to regard merchants with caution, akin to dealing with thieves, signaling the beginning of suppressive measures against commerce.

During Guan Zhong's era, Qi's commercial prosperity largely arose from attracting foreign merchants to boost the state's flow of goods. Domestically, the emphasis was on expanding state-run commerce to fortify the national economy, while private merchants faced the looming threat of suppression. Despite Qi's thriving trade, the future appeared uncertain, signaling the rise of restrictive policies against private enterprise.

II. Merchants of Zheng

Compared to Qi, Zheng was a small state with limited resources. How did such a small state manage to have a prosperous commercial sector? There are many reasons, but two key factors stand out.

First, the government adopted a policy of making commerce the foundation of the state. Merchants made pacts with the king to jointly develop the economy. As the relationship between the king and merchants was close, merchants were willing to sacrifice their wealth for the national interest. The state also protected the property of private merchants from being infringed. This close and mutually dependent relationship between the government and merchants was particularly notable among the feudal states. The tradition of favoring merchants in Zheng can be traced back to the Western Zhou period. *The Zuo Tradition* records an instance of an alliance between Duke Huan of Zheng and merchants:

*Our ancestor Duke Huan, along with the merchants, all originated from Zhou. We settled here by clearing the land of wild grasses together. We made an oath to trust each other, saying, "You shall not betray me, and I shall not forcibly buy or seize your property. Your profitable markets and treasures will not be known to me." This oath has been upheld for generations, ensuring mutual protection until now.*¹

The content of the pact was that merchants should not betray the king, and the king should not forcibly purchase or seize merchants' property. The king would not inquire into the merchants' wealth. This pact was long respected by both parties, fostering a close relationship.

There is another illustrative story about the respect for merchants in the state of Zheng. Jin minister Han Xuanzi had one jade ring of a pair, while the other was in the possession of a merchant in Zheng. When Xuanzi visited the Duke of Zheng to request the ring, minister Zichan declined, stating that it

1 "16th Year of Duke Zhao", *The Zuo Tradition*.

was not a government possession, and that the ruler did not know about it. Other ministers thought it unwise to offend a powerful state like Jin over a trivial item, but Zichan remained firm. Xuanzi then personally approached the merchant and agreed on a price, but the merchant insisted on informing the ruler and ministers first. Xuanzi returned to Zichan with his request:

“A few days ago, I asked for the ring and was refused, so I did not pursue it further. Now, having directly approached the merchant, he has requested your permission to complete the transaction.”

Zichan explained the pact between Duke Huan and the merchants and the reason why the ring should not be coerced:

“Forcibly taking a merchant’s property would break our longstanding pact and harm our state. You might gain a jade ring, but you would lose the respect of the feudal lords. If a major state issued commands that disrupted supplies, even if Zheng were a dependency of Jin, we would not comply. Surrendering the ring could bring unknown consequences.”

Deeply moved, Xuanzi gave up the ring.¹ Zichan’s commitment to protecting merchant interests, even at the risk of offending a powerful state, demonstrated his political wisdom. Breaking the alliance with merchants would undermine Zheng’s economy and political stability. Merchants in Zheng reciprocated this respect with great loyalty and patriotism.

Another well-known story is about the merchant Xuangao from Zheng saved his country from Qin’s invasion. According to *The Zuo Tradition*, in the 32nd year of Duke Xi, Qin envoy Qi Zi had gained the trust of the Zheng state and oversaw the keys to the northern gate of the city. He conspired with Qin to launch a surprise attack on Zheng. As the two states were far away from each other, the Qin army was still on its way the following spring. Merchant Xiangao encountered the army at Hua on his way to trade in Zhou territory. Realizing the threat, Xiangao pretended to have known about their arrival in advance and offered four prepared ox hides and twelve cattle to the Qin general, saying:

1 “16th Year of Duke Zhao”, *The Zuo Tradition*.

“Our ruler heard of your great general’s arrival and sent me to greet you with these gifts. Our humble state is honored by your presence. If you stay, we will prepare supplies; if you pass through, we will escort you.”

He also sent an urgent message to the Duke of Zheng at the same time. Believing their plan had been exposed and fearing failure, the Qin forces retreated. Xiangao’s quick response protected his country, exemplifying the patriotic spirit of Zheng’s merchants.¹

Zheng’s merchants were also known for their loyalty and willingness to participate in military and state affairs. As was recorded in *The Zuo Traditions*, the Jin general Xun was captured by the Chu army in the fourth year of Duke Cheng. Zheng merchants planned a rescue operation, intending to smuggle Xun out of Chu in a bundle of clothes. Although the plan was aborted as Xun was released before they could act, the Jin general later treated the merchant as if he had indeed saved him. The merchant, however, refused to accept any reward, saying, “I did not actually make the rescue. How can I accept such an honor without merit? I’m a humble man, and dare not disgrace a gentleman’s reputation with such an act.”² He then left to continue his business in Qi.

Another critical factor for Zheng’s commercial prosperity was its advantageous geographical location. By the Spring and Autumn period, Zheng had become a hub among the feudal states, close to the Zhou royal court and serving as a buffer zone that no state dared to attack. This central position facilitated the flow of goods among states. Zheng’s northeastern neighbors were Qi and Lu, to the northwest were Qin and Jin, and to the south was Chu. Before the large-scale wars of annexation began, Zheng was a major commercial center, connecting the east, west, south, and north. In such a favorable environment, coupled with government protection, Zheng produced a number of outstanding merchants.

III. Merchants of Wu and Yue

1 “32nd and 33rd Year of Duke Xi”, *The Zuo Tradition*.

2 “4th Year of Duke Cheng”, *The Zuo Tradition*.

Wu and Yue were latecomers in the states. While the culture flourished in the Central Plains, Wu and Yue remained relatively uncivilized and disconnected from the Central Plains. It wasn't until the second year of King Shoumeng's reign in the Spring and Autumn period that Wu initiated contact with the Central Plains through the teachings of Shen Gong Wu Chen, who introduced military and chariot tactics from Jin. Later there was Ji Zha in Wu, a figure akin to a sage and was familiar with the culture of the Central Plains. However, historical records on the economic exchanges between Wu and the Central Plains are sparse, with more emphasis on military conflicts with Chu. Wu, after defeating Yue, attacked Qi and focused on military actions, neglecting economic development, and was eventually defeated by Yue. Yue's victory was as much a result of economic strategies as it was military. The strategic advice provided by merchants contributed a lot to the growing strength of the Yue state. The merchants we refer to here, specifically, are those from Yue.

When King Fuchai of Wu raised an army to attack King Goujian of Yue, leaving him with only five thousand remaining troops, King Goujian used humble words and generous gifts to secure pardon, eventually leading to the downfall of Wu. What was behind this outcome? Among the many factors, economic warfare played a significant role.

Minister Wen Zhong once taught Goujian seven strategies (or nine, according to some sources) for attacking Wu. One of them was to "raise the price of grain to deplete their reserves," meaning to increase grain prices so that Wu's granaries would be emptied, and the country would be depleted of provisions, making it easier to defeat them in battle. Another was to "make the state wealthy and well-prepared," ensuring that Yue was strong and well-equipped for wars. Strategies such as "offering substantial wealth to confuse the enemy king" and "bribing influential ministers to make them easier to attack" were different kinds of economic warfare that required financial resources.¹ Yue's economic warfare, with its military objectives, was a key

1 "The House of King Goujian of Yue", *Records of the Grand Historian*.

factor in their victory.

Goujian also had another important advisor, Ji Ran, who proposed seven strategies, of which five were implemented successfully, leading to Goujian's eventual revenge. Ji Ran's strategies mostly consisted of commercial practices and major state policies. Let's look at some of Ji Ran's insights:

In times of drought, invest in ships; in times of flood, invest in carts. This is the way of doing business. Every six years there are good harvests, every six years there are droughts, and every twelve years there is a great famine. If grain prices rise to twenty, farmers suffer; if they rise to ninety, merchants suffer. When merchants suffer, money does not circulate; when farmers suffer, the fields are not cultivated. Keep grain prices between thirty and eighty; this benefits both farmers and merchants. Balancing grain prices and ensuring market stability are key to governing the state. Accumulating wealth requires preserving goods and avoiding stagnant currency. Trade goods quickly to prevent decay, and do not hoard valuables. By observing supply and demand, one can understand prices. When prices peak, they fall; when they bottom out, they rise. When goods reach their highest prices, sell them promptly, treating them as if they were dirt. When goods reach their lowest prices, buy them quickly, treating them as if they were precious jewels. The circulation and turnover of goods and currency should be as smooth as flowing water.¹

Some of the key theories here, such as accelerating circulation, implementing fair pricing, and understanding the dynamics of supply and demand, are essential principles of commerce. By adhering to these principles, Yue had a ten-year development and ultimately defeated the powerful state of Wu.² Thus, Yue's victory can be attributed to economic strategies.

After the fall of Wu, Fan Li, aware that King Goujian might turn against his allies once the threat was gone, wisely withdrew from politics. He said, "Ji

1 "The Biographies of Wealth Accumulators", *Records of the Grand Historian*.

2 "The Biographies of Wealth Accumulators", *Records of the Grand Historian*.

Ran's strategies were seven; Yue used five and succeeded. Having implemented them for the state, I now wish to use them for myself."¹ He first went to Qi to seek commercial opportunities but later discovered that Tao was the center of the world, where the feudal lords converged. Hence, he "went to Tao and became known as Zhu Gong." Over ten years, he accumulated great wealth and was widely known as Tao Zhu Gong. After he got rich, Fan Li distributed his wealth among the poor and his friends, earning a reputation for his generosity. While the merchants of Yue were mainly government-affiliated, Fan Li was an exception as he made his fortune out of the state. He was likely one of the wealthiest merchants in the late Spring and Autumn period, a bright commercial star in this era. At the end of the Spring and Autumn period, merchants began to experience a decline.

From the time of the Yan and Huang Emperors, who initiated commercial activities, to Emperor Shun, who personally engaged in trade, merchants were seen as members of a noble enterprise. They assisted kings in developing the economy and govern the people and were very much valued by the authorities. The Zhou rites established by Duke Zhou included policies encouraging commerce, significantly influencing the development of merchants during the Western Zhou and the Spring and Autumn periods. By the end of the Western Zhou, the power of merchants had grown substantially, leading to organized resistance against the Zhou dynasty. The "urban people's revolt" was the culmination of this conflict, significantly contributing to the collapse of the Western Zhou. In the Spring and Autumn period, the merchant class became particularly strong in states like Zheng and Qi, followed by Yue. The activities of merchants during this time marked their final period of glory before a tumultuous period.

1 "The Biographies of Wealth Accumulators", *Records of the Grand Historian*.

Section Two Prolonged Marginalization

In the Warring States period, merchants suddenly found their status plummeting from high regard to near contempt. Despite their immense wealth, they were viewed as inferior and relegated to the lowest social strata. This dramatic shift is worth contemplating.

The doctrine of prioritizing agriculture and suppressing commerce was widely adopted by the states during the Warring States period. Why did this policy take hold during this era and become more pronounced in the late Warring States period? The answer lies in the complexity of the social circumstances.

First, the impact of the national rebellion. It was realized that powerful craftsmen and merchants might overthrow the government. At the beginning of the Eastern Zhou dynasty, the feudal states were not powerful enough. Various states relied on craftsmen and merchants to enrich the country, which resulted in the growing power of merchants. The rebellion at the end of the Western Zhou seemed destined to replay by the end of the Spring and Autumn period. This was something the newly emerging regimes of the Warring States period were keen to avoid.

Confucius' disciple, Zigong, "traveled in luxurious carriages drawn by four horses, carrying bundles of silk as generous gifts to visit and present to the feudal lords. Wherever he went, the rulers greeted him with equal respect and courtesy, standing as equals when exchanging formalities."¹ The fact that a wealthy merchant was respected as much as rulers caused concern among the kings during the Spring and Autumn period. Politicians from the landowning class were contemplating countermeasures. In *Guanzi*, the growing power of wealthy merchants was likened to having "two kings in one country." This meant that the king lost not only economic power but also political status.

1 "The Biographies of Wealth Accumulators", *Records of the Grand Historian*.

The combination of wealth and the ambitions of powerful ministers posed a significant threat to the rulers of the feudal states. Han Feizi sharply pointed out: “The division of Jin and the usurpation in Qi were both due to the excessive wealth of ministers.”¹ Kings needed sufficient financial power to keep their ministers in check, which meant they had to enrich the state and limit the private wealth. As merchants tended to amass large wealth in a short time, they naturally became the primary targets for stringent control. The unchecked growth of merchant power seemed to give rise to endless problems, including moral decay. And all of these were happening. Ancient texts describe the impact of merchants since the Spring and Autumn period:

As the Zhou royal house declined, rites and laws deteriorated. The populace abandoned traditional values with few engaging in agriculture while many turned to trade. This led to grain shortages and surplus currency. After the times of Dukes Huan and Wen, the social order greatly deteriorated. Rituals and morals were severely damaged, leading to mutual offenses between superiors and subordinates. The political systems of various states differed significantly, and the customs among the nobility varied widely. The pursuit of profit could not be restrained, and actions that disrupted social hierarchy knew no bounds. Without control, this led to unchecked ambition and disorder. Merchants traded in rare and exotic goods, craftsmen produced items with no practical value, and scholars engaged in unethical activities to be in trend and acquire wealth. Deceitful individuals went after fame, and corrupt citizens broke laws and harmed others for profit. Those who assassinated monarchs and seized state power became princes, and those who robbed the fiefs of nobles became heroes. Rituals and morals could no longer restrain gentlemen, and punishments and executions could not instill fear in the common people. The wealthy used silk to decorate their houses and walls, and their dogs and horses had more grain and meat than they could eat, while the poor could not afford even coarse cloth

1 “The Loving Minister”, Han Feizi.

*and often ate beans and drank untreated water.*¹

This description might be exaggerated, but it reflects the prevailing view that the development of commerce led to moral decay and societal instability. As a result, suppressing merchants was seen as a measure to consolidate political power and stabilize society, and various anti-commerce policies were implemented by governments across the states.

Secondly, the intense rivalry in the Warring States period. The Warring States period became an era of intense rivalry among the states, where the law of the jungle prevailed. States must strengthen their national power both financially and militarily to avoid conquest. Han Feizi noted, “In ancient times, people competed in virtue; in the middle ages, they competed in wisdom; today, they compete in strength.”² In essence, military power was paramount, and whoever had the stronger army would prevail.

Waging war required a basic resource: grain. Abundant grain meant strong soldiers, which in turn meant a powerful state. Doing business made profits several times higher than farming, thus many farmers abandoned agriculture for trade. While this temporarily boosted the economy, it reduced agricultural output. In times of war, a lack of military provisions could endanger the state. The continuous warfare of the period meant that politicians focused primarily on accumulating grain and strengthening their armies. In this context, merchants were seen not only as non-essential but also as detrimental to agricultural and military strength, thus giving rise to anti-commerce policies.

In summary, the anti-commerce policies adopted by various states during the Warring States period were aimed at limiting the power and influence of merchants to ensure the stability and security of the state.

The State of Qin was the earliest to implement anti-commerce policies. One of the crucial measures in Shang Yang’s reforms was to “reward farming, weaving and military achievements,” which was closely linked to the

1 “The Biographies of Wealth Accumulators”, *Book of Han*.

2 “The Five Pests”, *Han Feizi*.

suppression of craft industry and commerce. In the *Book of Lord Shang*, Shang Yang discussed external and internal affairs: external affairs being war, and internal affairs being agriculture—essentially advocating for agriculture and warfare. He said:

“Among all the affairs within a state, none is more arduous than farming. Therefore, farmers cannot be driven by light governance. What is meant by light governance? It means that farmers are poor while merchants are wealthy. Consequently, when grain is cheap, the value of money goes up; cheap grain makes farmers poor, and valuable money makes merchants rich. If the craft industry is not regulated, craftsmen will profit, and the number of idlers will increase. Thus, farmers labor the hardest but earn the least, compared to merchants and craftsmen. If the number of merchants and craftsmen can be reduced, it would be impossible for the state not to become prosperous.”¹ Shang Yang viewed the prohibition of secondary occupations as the path to national wealth. He stated, “A country that can concentrate the people’s efforts and unify their pursuits will be strong; a country that prioritizes agriculture and restricts commerce will be wealthy.”² Shang Yang was the first in Chinese history to propose the concept of prioritizing agriculture and restricting commerce and craft industry, profoundly influencing later societal development.

To suppress commerce, the first step was to raise market taxes. Shang Yang said: “To enrich the country through agriculture, the grain price within the state must be high, and taxes on non-agricultural activities must be high, while market rents must be substantial. Thus, people will be compelled to own land; without land, they must trade for grain. When grain is expensive, farmers profit, and when farmers profit, more people will engage in farming. High grain prices make buying it unprofitable, and with increased taxes, people will abandon commerce and crafts and turn to farming. Therefore, the people will focus their efforts on agriculture. Consequently, for a state,

1 “External and Internal”, *The Book of Lord Shang*.

2 “Single Principle”, *The Book of Lord Shang*.

the benefits of the borderlands should go to the military, and the benefits of the markets should go to the farmers. When the benefits of the borderlands go to the military, the state becomes strong; when the benefits of the markets go to the farmers, the state becomes wealthy. A ruler whose state is strong in battle and prosperous in peacetime is a true king.”¹ “By imposing heavy taxes on market transactions, farmers will dislike merchants, and merchants will hesitate, so the land will inevitably be cultivated.”²

Shang Yang advocated that the people should dedicate themselves to farming. Since high profits from trade would draw people away from agriculture, it was necessary to limit commercial profits. This could only be achieved through heavy customs duties and market taxes. Once heavy taxation made trade unprofitable, people would naturally abandon commerce and return to farming.

Grain was the most crucial daily necessity and banning grain trade was a key method to suppress commerce. “If merchants cannot buy grain and farmers cannot sell it, lazy farmers will be encouraged to work hard; if merchants cannot buy grain, there will be no surplus in good years, and no profits in bad years, making merchants hesitant and returning to farming.”³ By tightly controlling grain, the government aimed to cut off the livelihood of merchants, effectively driving them out of business.

Apart from these measures, the state also implemented discriminatory policies to lower the social status of merchants. “Assign labor duties to merchants based on the number of people in their households. Ensure that those who gather firewood, drive carts, serve as servants, and work as laborers are all registered with the government and perform their designated duties. This way, the burden on farmers will be lightened, and the burden on merchants will be increased.”⁴ Merchants were registered and forced into servitude. Shang Yang’s policy of promoting agriculture and warfare in

1 “External and Internal”, *The Book of Lord Shang*.

2 “Order on Land Reclamation”, *The Book of Lord Shang*.

3 “Order on Land Reclamation”, *The Book of Lord Shang*.

4 “Order on Land Reclamation”, *The Book of Lord Shang*.

Qin was harsh on merchants, freeing diligent farmer-slaves while punishing merchants by making them slaves, a policy extreme among the states during the period.

During the Warring States period, Li Kui from Wei State promoted the policy of balancing grain prices and enriching farmers. Qi implemented the state monopoly on salt and iron. Qin aggressively pursued anti-commerce policies. Due to the continuous warfare, commerce as a whole declined, losing the prominent status it enjoyed during the Spring and Autumn period.

However, this does not mean that there were no merchants or commercial activities during the Warring States period. Even in Qin, despite Shang Yang's continued suppression of commerce, the power of merchants persisted. On the one hand, rulers needed merchants to obtain "rare goods"; on the other hand, wealthy merchants who supported the government were valuable allies and could not be easily dismissed. In fact, Qin had a tradition of favoring merchants, and the suppression of commerce was precisely because of the merchants' significant influence. Before Emperor Qin Shihuang unified China, the court relied heavily on rare goods from other countries, indicating the essential role of merchants in facilitating trade. A passage from Li Si's *Memorial on the Expulsion of Guest Officials* in the tenth year of King Zheng of Qin highlights the prosperity of Qin's commerce:

Now, Your Majesty acquires beautiful jade from Mount Kun and pearls from Suihou and Heshi. You are adorned with pearls that shine like the moon and equipped with the precious Tai'e sword. You ride the rare Xianli steed, your banners are decorated with phoenix feathers, and the drums are covered with rare alligator skin. None of these treasures are produced in Qin, yet Your Majesty likes them greatly. Why is that? If only goods produced in Qin were permitted, then these luminous jewels would never adorn the Qin court; objects carved from rhinoceros horn and ivory would not be among Your Majesty's possessions; the singing and dancing women from Zheng and Wei would not fill Your Majesty's harem; the famous steeds from the northern regions would not be in

Your Majesty's stables; gold and tin from the southern rivers would not be at Your Majesty's disposal, and the colorful paintings from western Shu would not serve as decorations.....

This indicates that Qin relied on merchants to obtain exotic goods, making them indispensable.

Qin Shihuang's unification efforts were also supported by the wealthy merchant Lü Buwei, who accumulated great wealth through trading. As Chancellor of Qin, he made policies opposite to those of Shang Yang and had a significant impact on commerce.

After Qin Shihuang unified China, some of his strategies objectively facilitated commercial development. These included the standardization of weights and measures, currency, and the uniformity of axle lengths for carts and scripts, which provided a unified economic framework and eased communication across former feudal territories. The construction of the national road network improved transportation, creating new opportunities for commerce.

Despite these measures, Qin Shihuang ultimately implemented Shang Yang's policy of prioritizing agriculture and suppressing commerce. The inscription on the stele at Langya Terrace stated: "Promote agriculture and eliminate secondary occupations to enrich the common people."¹ How did he "eliminate secondary occupations" to enrich the populace?

First, Qin Shihuang relocated wealthy families to the capital, Xianyang, to keep them under control. According to *Records of the Grand Historian*, he "relocated 120,000 wealthy households to Xianyang." As the wealthiest individuals were gathered and kept under watch, the potential rebels were deprived of economic support and not able to rise against the government.

Second, he placed the merchants in a lower social rank. In the thirty-third year of his reign, he ordered, "Send merchants, as well as fugitives and the sons-in-law of commoners, to conquer and colonize the newly annexed

1 "Annals of Qin Shihuang", *Records of the Grand Historian*.

territories of Guilin, Xiang, and Nanhai.”¹ By sending merchants to the frontier alongside criminals, he reduced their numbers and diverted them from commerce, effectively curbing their influence.

The remaining merchants in the Qin dynasty were mostly marginalized “migrant captives,” the war captives who were forcibly relocated here, and were considered “inferior” by the society. Despite the harsh environment, some managed to achieve notable success in their commercial endeavors. Here are some examples from the historical records:

The Zhuo Family: The family’s detailed history is not fully known, but they migrated from Zhao and became wealthy through iron smelting. After Qin conquered Zhao, the Zhuo family was relocated. While others bribed officials to be moved to places close to Zhao, the Zhuo family chose to go to the remote frontier of Linqiong because they saw commercial opportunities there. Upon arriving, they resumed their iron smelting business and expanded their trade to the Dian and Shu regions. They amassed a fortune, employing over a thousand servants and enjoying luxuries comparable to those of nobility. The Zhuo family got wealthy by engaging in both the craft industry and commerce.

Cheng Zheng, a relocated native of Shandong, amassed his wealth through metallurgy and settled in Linqiong. It is evident that during the Qin dynasty, Linqiong was a thriving hub of commerce and the craft industry.

The Kong family, originally from Liang, were relocated to Nanyang during the Qin period. They engaged in metallurgy and commerce, built ponds, and enjoyed a lifestyle replete with carriages and entourages, earning them the reputation of being leisurely noblemen. By using their wealth to establish connections with officials, the Kong family secured profits far exceeding their expenditures, amassing a fortune of several thousand gold coins. Merchants in Nanyang admired and emulated the Kongs’ dignified manner.

Luo, a tribal chief from Wushi County, sold livestock to purchase

¹ “Annals of Qin Shihuang”, *Records of the Grand Historian*.

artworks, which he presented to the King of Rong. The King rewarded him tenfold, giving him numerous cattle and sheep, which Luo exchanged for an immense number of horses and oxen. Qin Shihuang honored Luo with a status comparable to a feudal lord, summoning him regularly to the court. This favor was likely due to Luo's generous offerings of livestock and wealth to both the King of Rong and Qin Shihuang, which contributed to his rise in status and influence.¹

Due to strict anti-commerce measures, merchants in the Qin dynasty faced very harsh conditions. They were often treated as captives and criminals, devoid of civil rights. This period marked one of the darkest times for merchants in Chinese history.

When the Qin dynasty fell and its oppressive policies ended, people across the land rejoiced. However, merchants still couldn't hold their heads high. "Emperor Gaozu of the Han dynasty decreed that merchants were forbidden from wearing silk or riding in carriages and imposed heavy taxes to humiliate and burden them."² It seemed that the low status of merchants, established during the Qin era, was hard to change. During the reigns of Emperor Hui and Empress Lü, the restrictions on merchants were somewhat relieved, as was thought necessary for the newly unified empire. Nonetheless, it was still mandated that "the descendants of those in the marketplaces could not become officials or hold government positions."³ However, as soon as the policies were slightly relaxed, the merchant class rapidly flourished. Sima Qian noted, "With the rise of the Han dynasty and the unification of the empire, the restrictions on trade routes and mountain and lake access were lifted. Consequently, wealthy merchants traversed the country, and no commodity wasn't traded, allowing everyone to obtain what they desired."⁴

In response to the temporary relaxation of policies toward merchants, the merchant class should have actively embraced the opportunity, conducting

1 "The Biographies of Wealth Accumulators", *Records of the Grand Historian*.

2 "Treatise on Equalization", *Records of the Grand Historian*.

3 "Treatise on Equalization", *Records of the Grand Historian*.

4 "The Biographies of Wealth Accumulators", *Records of the Grand Historian*.

their businesses fairly and benefiting both themselves and others. However, the illegal activities of some merchants disrupted the economic order. Partly due to a continuation of the traditional policy that favored agriculture over commerce, the merchants were soon degraded during the Han dynasty again. However, it was also a consequence of the excessive greed of some merchants, which ultimately brought about their downfall.

After more than seventy years of recuperation and growth during the early Han dynasty, there was a period of great prosperity. The state treasury amassed enormous wealth, and the granaries were filled with grain from successive harvests. However, some wealthy merchants grew arrogant as a result. “During this time, the eased regulations allowed the people to prosper, leading some to accumulate vast wealth and assert dominance in their local areas.”¹ This wealth and arrogance, coupled with a lack of benevolence, had a profoundly negative impact, corrupting social values and eroding the moral fabric of society.

Wealthy merchants often were engaged in monopolistic practices, resulting in significant price increases. For example, the price of rice soared to ten thousand coins per stone, and a horse cost one hundred taels of gold. These practices disrupted both the economic and political order. Chancellor Chao Cuo criticized the merchants, saying, “Large merchants amassed enormous wealth through hoarding and exorbitant interest rates, while smaller traders made quick profits by selling goods in the marketplace. They spent their days idling in the city, ready to exploit any urgent demand by doubling their prices. Consequently, their sons did not farm, and their daughters did not weave; they wore fine clothes and feasted on luxurious foods, avoiding the hardships of farmers while reaping huge profits. With their wealth, they built connections with nobles and wielded power greater than that of officials, leveraging their influence for further gain. They traveled vast distances, adorned in luxury, riding in sturdy carriages, and walking in silk and brocade. This is why merchants came to dominate farmers, leading to the

1 “Treatise on Equalization”, *Records of the Grand Historians*.

displacement and ruin of the agricultural populace.”¹ This led to widespread social problems and significant resentment. The chaotic state of commerce in the early Western Han dynasty can be attributed to a lack of proper status for merchants and insufficient regulation of commercial activities.

One critical issue for merchants was balancing personal interests with national interests. If merchants ignored the well-being of the state and the people in their pursuit of profit, they risked their downfall. During the reign of Emperor Wu of Han, a severe flood struck Shandong, leading the emperor to open the state granaries to relieve the famine-stricken population. Over 700,000 people lived on government relief for several years, which depleted the state treasury and forced the government to borrow from wealthy merchants. The wealthy merchants took advantage of this crisis for personal benefits. They hoarded grain, transporting it in hundreds of carts to towns where they could sell it at high prices, and the local governments had no choice but to rely heavily on merchants for supplies. At that time, merchants “accumulated vast wealth through the production of iron, salt, and other commodities but did not assist the state during time of need, exacerbating the suffering of the common people.”² This behavior necessitated regulatory reforms. They should only blame themselves for another blow to commerce.

Facing such a financial crisis, Emperor Wu appointed two officials, Kong Jin and Xianyang, to reform the salt and iron industries and increase state revenue. The court discussed implementing severe measures against merchants and presented the following recommendations to the emperor:

The counties and states have suffered various disasters, leaving many impoverished people without any means of livelihood. To address this, people were recruited to migrate to the fertile lands. His Majesty reduced his meals and expenses, released funds from the treasury to aid the populace, and offered lenient tax policies. Despite these efforts, many people did not return to agriculture, and the number of merchants was

1 “Treatise on Food and Commodities”, *Book of Han*.

2 “Treatise on Equalization”, *Records of the Grand Historian*.

increasing. The poor had no means of accumulation and depended entirely on the local authorities. To address this, it was proposed that the tax on light carriages and merchant funds be reinstated. Merchants involved in lending and borrowing, buying and selling, and those who reside in towns for trade, even if they do not have market registrations, should be taxed based on their goods at a rate of one ‘Suan tax’ per two thousand units of currency (a Min). Craftsmen who have rental income and those engaged in casting should be taxed at a rate of one ‘Suan tax’ per four thousand units of currency (a Min). Exceptions were made for certain officials, elders, and frontier knights, who would be taxed one ‘Suan tax’ unit for a light carriage. Merchants and traders with light carriages were taxed two ‘Suan tax’ units, and boats over five Zhang (approximately 50 feet) in length were taxed one ‘Suan tax’ unit. Those who concealed their wealth or did not fully report it would be conscripted for one year of border duty and their funds would be confiscated. Whistleblowers were rewarded with half of the confiscated funds. Merchants and their families with market registrations were prohibited from registering land to engage in farming. Violators would have their land and slaves confiscated.¹

“Suan” was a form of taxation, with one unit equivalent to 120 coins. *Suan Min*, or taxes on capital and goods, and *Suan Zhao*, or taxes on carts and boats, were both significant property taxes that aimed at curbing merchant activities. Taxes on carts and boats were primarily targeted at merchants, with higher rates for merchants than for ordinary people. Ordinary people had to pay one ‘Suan tax’ unit for a small vehicle, but merchants had to pay two. Boats longer than 5 *Zhang* (approximately 50 feet) must be used for transportation, and thus, the tax on boats increased the cost of transporting goods. *Min* was a string of coins threaded together. For farmers and workers, the tax rate was one unit for every 4,000 coins (a *Min*), whereas for merchants, it was one ‘Suan tax’ unit for every 2,000 coins (a *Min*). The tax rate for

1 “Treatise on Equalization”, *Records of the Grand Historian*.

merchants was double that of ordinary individuals. If someone concealed their property or underreported it, they were penalized with one year of labor on the frontier, and their property was confiscated. Whistleblowers were rewarded with half of the confiscated amount.

Under such heavy taxation, merchants were suppressed, though not entirely bankrupted, leading to even more stringent measures being introduced.

Another measure to curb merchant wealth was currency reform, which aimed to devalue merchants' savings. Merchants' wealth was primarily in the form of currency, enabling land acquisition and luxury consumption. In the sixth year of the Yuan Shou era, Emperor Wu issued a decree: "Recently, officials have reported that light currency has led to widespread fraud, harming agriculture and increasing the number of merchants. To prevent further amassing of wealth, we must reform the currency."¹ Frequent changes in the Han dynasty's currency system, though intended to curb commercial activities, also disrupted economic order.

There was a farmer named Bu Shi who became wealthy through agriculture and animal husbandry. At that time, the national treasury was depleted due to the ongoing war against the Xiongnu ethnic minority. An appeal was made for wealthy individuals to contribute half of their wealth to support the war effort. Emperor Wu did not adopt this suggestion due to the opposition of Gongsun Hong. Later, when there was an uprising of starving people, Bu Shi donated 200,000 coins and declined the emperor's rewards. However, his noble act did not inspire other wealthy individuals to follow suit; instead, they all scrambled to hide their wealth.

After the imposition of the property tax of *Min*, the common people still did not voluntarily contribute their wealth to the government. Consequently, the order to report property was issued, leading to a nationwide campaign to report the hidden assets of wealthy families. This measure proved highly effective, resulting in the bankruptcy of many merchants and wealthy

1 "Annals of Emperor Wu", *Book of Han*.

households. This movement was described in *Records of the Grand Historian* as follows:

Bu Shi was prime minister of Qi when Yang Ke's decree to report property was enforced throughout the country and most middle-class and above households were reported on their property. Du Zhou was responsible for handling these cases, and few managed to escape conviction. The emperor then dispatched imperial envoys and judicial officers to various regions to investigate and collect the property tax. The confiscated assets amounted to billions in wealth, millions of slaves, and extensive lands — several hundred Qing (a unit of area) in large counties and over a hundred Qing in smaller counties, along with numerous residences. As a result, the majority of merchants and wealthy households faced bankruptcy.¹

This was an unprecedented confiscation campaign, resulting in the bankruptcy of medium and large merchants. From then on, merchants refrained from accumulating wealth, indulging instead in fine food and clothing without investing in productive enterprises. While Emperor Wu should be mostly blamed for his extreme actions that hindered commercial development, the merchants should also be condemned for their lawlessness and selfishness. Their failure to support the state in times of need and their extreme self-interest led to this unprecedented disaster. Therefore, Emperor Wu's extreme measures were a response to the merchants' extreme selfishness. Had the merchants complied with the property tax regulations, the history of commerce might have been different. However, history can't be reversed, and the merchants fell into a deep abyss from which they could not extricate themselves.

During the Eastern Han dynasty, there was a brief period of commercial prosperity: "Nowadays, people abandon farming and flock to commerce, filling the roads with oxen, horses, carts, and carriages. Craftsmen and traders

¹ "Treatise on Equalization", *Records of the Grand Historian*.

crowd the cities.”¹ But this was just temporary as the government of Eastern Han couldn’t spare time and energy to impose restrictions on merchants amid complex social conflicts. Court officials often argued for prioritizing agriculture over commerce, seeking to reinstate the punitive measures against merchants from the Western Han period. Huan Tan submitted a memorial stating: “The way to govern the country is to promote primary pursuits and suppress secondary profits. Thus, the late emperors prohibited people from engaging in dual occupations and restricted merchants from becoming officials. This was to curb monopolies and foster integrity and shame. Now, wealthy merchants lend money at high interest rates, and the sons of middle-class families serve them, working as diligently as common laborers. They pay taxes comparable to those of feudal lords. This leads people to admire and emulate them, abandoning farming for trade, resulting in widespread luxury and decadence. Therefore, merchants should be required to report on each other. Any wealth not acquired through their own efforts should be confiscated and awarded to the informant. This would ensure that they focus solely on their own labor and do not dare to lend money or associate with others, ultimately returning to farming.”²

Despite these arguments, the Eastern Han did not implement the decree of property report again due to the strong influence of powerful families, unlike the situation during the Western Han. Consequently, merchants in the Eastern Han enjoyed more freedom compared to those in the Western Han.

During the Three Kingdoms period, the states were often at odds, which hindered major commercial activities. However, each state sought to expand externally, achieving some success. For instance, Shu had trade relations with the Roman Empire, Wei received tributes from the Xianbei ethnic minority and Japan, and Wu had foreign merchants like Qin Lun from Rome, who even navigated to Yizhou (modern Taiwan). Among the Three Kingdoms, Wei was the most repressive towards commerce. Sima Zhi, while serving as

1 Wang Fu, *Discourses of a Recluse*.

2 “Legend of Huan Tan”, *Book of the Later Han*.

Minister of Agriculture, submitted a memorial: “The rulers should prioritize agriculture and suppress commerce, focusing on farming and the production of grain. Currently, the two barbarian tribes remain undefeated, and military campaigns haven’t ended. The state’s priority should be on grain and textiles. Emperor Wu established the Tuntian system (strategy of military farms) dedicated to farming and sericulture. During the Jian’an period, the state granaries were full, and the people were prosperous. Since the Huangchu era, the officials in charge of agriculture have engaged in commercial activities for personal gain, which is not in the national interest. Therefore, commerce should not be mixed with agriculture, and the focus should be on farming and sericulture for the benefit of the state.” Wei Mingdi followed this advice, prioritizing agriculture.

During the Three Kingdoms period, Wei’s strong military and agriculture contrasted with the more developed commerce of Wu and Shu. Ultimately, Wei’s superior national strength allowed it to conquer Wu and Shu, mirroring the Warring States period when Qin, the strongest state, prioritized agriculture and military prowess to unify China. This pattern illustrates that in times of continuous warfare, wealth alone cannot ensure a nation’s survival. A powerful military, primarily supported by agriculture, is essential. Simple weapons require minimal financial expenditure, and the state-controlled production of arms and iron works further underscores the reliance on agriculture. Thus, during periods of conflict, agriculture, not commerce, is the cornerstone of victory. Qin’s emphasis on agriculture during its unification wars, Emperor Wu of Han’s suppression of commerce during the conflicts with the Xiongnu ethnic minority, and Wei’s agricultural focus in its unification efforts all exemplify this principle. Only in a peaceful environment can commerce thrive and merchants prosper.

After the Three Kingdoms period, the influence of merchants waxed and waned, and they were consistently regarded as inferior. This view extends into modern times. Despite their struggles, merchants remained marginalized.

The Jin dynasty continued the Wei policies, promoting agriculture and

suppressing commerce, often punishing merchants and enacting measures to demean them. The policies set by Liu Bang, which forbade merchants from wearing luxurious clothing, served as a blueprint for subsequent dynasties. Whenever merchants wore extravagant clothing or travelled by grand carriages, the authorities reiterated these restrictions. The following story exemplifies this practice:

*At that time, merchants such as Zhao Duo, Ding Fei, and Zou Weng accumulated fortunes amounting to thousands of gold coins. Their carriages and attire rivaled those of nobility. Some high-ranking officials under Fu Jian even appointed these merchants as state ministers. Cheng Xian, the Yellow Gate Attendant, said to Fu Jian: 'Zhao Duo and the others are mere merchants, commoners of the marketplace, but their carriages and clothing are as extravagant as those of kings, and their ranks equal those of gentlemen. This damages societal norms and tarnishes the sanctity of the state. We should enforce clear regulations to distinguish between the pure and the impure.' In response, Fu Jian investigated and demoted those who had elevated the merchants to high positions. He then issued an edict: Anyone below the rank of titled scholar is forbidden from taking carriages or riding horses within a hundred li of the capital. Merchants, servants, and women are prohibited from wearing gold, silver, and brocade garments. Whoever violates this will be executed in the marketplace.'*¹

Fu Jian, who was in the North, aimed not only to unify the northern territories but also to compete for dominance in the South. Therefore, he could not allow the power of merchants to grow unchecked. When it was brought to his attention that several merchants had been appointed as state ministers, not only those merchants were demoted but also those who had recommended them were implicated.

This policy persisted into the Ming dynasty. *True Pearl Ship* by Hu Shi records a decree from the fourteenth year of the Hongwu era, which allowed

1 "Biography of Fu Jian", *Book of Jin*.

peasants to wear fine silk or fine cloth but banned merchants from doing so. Even if a peasant household had one member who was a merchant, they were forbidden from wearing fine silk.¹ Although only symbolic by this time, this policy remained unchanged for over a millennium.

Though high officials and nobles envied merchants for their wealth, they often looked down upon them and were unwilling to associate with them. Merchants were considered low in social status, and those who befriended them faced ridicule. Despite some changes since the Ming and Qing dynasties, their lowly social standing was not fundamentally altered.

The low social standing of merchants during the Qing dynasty was highlighted in their marriages. Here are two examples:

Before the reigns of the Xianfeng and Tongzhi emperors, the gentry held merchants in contempt. By the Guangxu era, the educated elite, influenced by Western practices that valued commerce, began associating with merchants and even forming familial ties with them. However, this was not always well-received. In the early Qianlong period, Grand Secretary Zhao Guolin arranged a marriage between his family and that of the merchant Liu Fanchang, drawing the emperor's ire. In June 1741 of Qianlong reign, after Zhong Yongtan accused Zhao of attending the funeral of a commoner named Yu, the emperor admonished Zhao, stating: "Zhao Guolin, who has always lectured on moral philosophy and serves as Grand Secretary, has entered into an alliance with the commoner Liu Fanchang and even recommended him to me. I have already issued clear instructions on this matter. Compared to Zhong Yongtan's accusations, how much more severe is Zhao's transgression?" The emperor's rebuke, referring to Liu as a "commoner," underscores the low regard in which merchants were held.

During the Jiaqing and Daoguang periods, a certain high-ranking official liked to associate with wealthy individuals and often married girls from his extended family as daughters to them, demanding

1 Fu Zhufu, *Collected Essays on Chinese Economic History*, Sanlian Bookstore, 1980.

*substantial betrothal gifts that amounted to tens of thousands of taels. These wealthy individuals boasted about their connections, proudly declaring, “The high official is my in-law.” Even if they bankrupted themselves, they did not regret it.*¹

Both stories, extracted from Xu Ke’s *Anthology of Petty Matters in Qing* (*Qingbai Leichao*) under the “Marriage” section, illustrate the low status of merchants. Emperor Qianlong’s direct rebuke of Zhao Guolin for associating with a merchant highlights the disdain for merchants. In the second story, the greedy official refused to marry his biological daughters to wealthy merchants, indicating the inferior status of the merchants. These wealthy individuals, in their quest for status and recognition, willingly spent vast sums through marriage alliances, merely to gain the superficial honor of being related to a high-ranking official.

From the Warring States period to modern times, there was a long period of time when merchants were marginalized and considered of low social standing.

Section Three The Revival

Despite being oppressed for over a thousand years, merchants never ceased their struggle to rise above their marginalized status and proudly claim their place as a respectable class.

Since the Ming and Qing dynasties, the continuous development of commerce in regions such as the south of the Yangtze River marked the emergence of early capitalist elements and a significant growth in the power of merchants. However, flaunting wealth through luxurious carriages and clothing did not necessarily translate to a higher social standing. The social hierarchy that placed scholars, farmers, craftsmen, and merchants on similar levels could not be restored as long as the Confucian philosophy prevailed.

¹ “Marriage”, *Anthology of Petty Matters in Qing*.

The principle of prioritizing agriculture over commerce remained unchanged as long as the emperor, the supreme authority in feudal society, adhered to it. Merchants needed advocates to champion their cause and restore their status. But in an era where prioritizing agriculture over commerce was deeply entrenched, finding such advocates was a long-awaited challenge.

Wang Yangming reignited the discussion on “the four classes,” laying the groundwork for redefining the status of merchants. In his *Epitaph for Fang Jie’an*, he wrote:

In ancient times, the four classes engaged in different occupations but shared the same ethical path, each striving to fulfill their roles with dedication. Scholars cultivated governance, farmers provided sustenance, craftsmen crafted tools, and merchants facilitated trade. Each pursued their respective occupations to the best of their abilities, contributing to the well-being of society. Scholars and farmers dedicate themselves to governance and cultivation, thus facilitating the creation of tools and the flow of goods, just as craftsmen and merchants do. Likewise, craftsmen and merchants focus on creating tools and facilitating trade, thereby supporting governance and cultivation, akin to the roles of scholars and farmers. Hence, it is said: “The four classes have different roles but share the same path.”

In this epitaph for Fang Jie’an, who abandoned being a scholar to be engaged in commerce, Wang Yangming invokes the ancient concept of the four classes to challenge the prevailing view that emphasized agriculture over commerce. The statement “the four classes have different roles but share the same path” was a popular idea before the Spring and Autumn period. However, when it was brought up again during the Ming dynasty, it sounded like thunder, reverberating through both the court and society. Accepting this would mean the traditional idea of prioritizing agriculture over commerce was wrong. Wang Yangming’s revival of “four classes” was both a revolution against the traditional idea, and a declaration to elevate the social status of merchants.

Another loud voice against the traditional idea of prioritizing agriculture

over commerce was Huang Zongxi, who boldly argued for the fundamental importance of commerce and craft industry:

*Confucian scholars have mistakenly regarded craft and commerce sectors and as secondary and unjustly suppressed their development. However, handicraft and commerce are essential, desired by the sage-kings, and should be considered fundamental.*¹

Like Wang Yangming, Huang Zongxi drew his arguments from ancient principles, such as the Golden Mean from *The Book of Rites*, which emphasizes the sufficiency of resources when craftsmen are encouraged, and Mencius's idea that merchants and travelers wish to trade and travel freely under the king's rule.² Huang Zongxi's advocacy in the late Ming and early Qing periods is a groundbreaking effort to reform traditional views and elevate the status of merchants and craftsmen.

In the past, one of the primary reasons for suppressing commerce was to curb extravagance. Apart from officials, merchants were the main perpetrators of luxury. However, during the Ming and Qing dynasties, some began to defend merchant luxury, arguing that it benefited society. Lu Ji made such a defense in his essay *A Defense of Luxury*:

Governors have repeatedly tried to curb extravagance, believing that frugality would make people wealthy. Ah! The ancients said that the wealth generated by heaven and earth is finite. If it is reduced here, it will increase there. I have never seen extravagance impoverish the world.

Whenever I observe the world, I find that in places where luxury is prevalent, people find it easier to make a living. Conversely, where frugality prevails, the people struggle. Why? Because of the circumstances. The wealth and taxes of the world are concentrated in Wu and Yue, and no place is more extravagant than Suzhou and Hangzhou. Many people there eat fine food and wear splendid clothes without farming or

1 Huang Zongxi, *Waiting for the Dawn: A Plan for the Prince, Fiscal Policy (III)*.

2 "King Hui of Liang", *Mencius*, Part I.

weaving a single thread. Their extravagance drives many to commerce and trade.

Extravagance is nothing but wealthy merchants and families indulging in luxurious homes, carriages, food, and clothing. When they indulge in fine meat, farmers and butchers profit. When they indulge in silk and brocade, sellers and weavers profit. This is exactly what Mencius meant by 'specializing in trade and making up for what is lacking.' Why should the authorities prohibit this?

Some might argue differently: the regions of Suzhou and Hangzhou are crossroads between the north and the south of the country. With people converging from all directions, these cities become hubs where all kinds of goods are gathered, and thus, the local population relies on commerce for their livelihood. This is not necessarily due to their extravagant customs. Ah! While this view acknowledges the benefits of trade, it fails to recognize that such trade arises precisely because of extravagance. If the people collectively adopted frugality, those who pursued commerce would return to farming. Would there still be a thriving market? Consider my hometown, Shanghai. Although isolated along the coast and not traversed by the main routes of commerce, it is often referred to as Little Suzhou. The merchants and traders who depend on this town number in the tens of thousands, thanks to the prevalent luxurious customs which make it relatively easy for the local people to sustain themselves.¹

This Shanghai resident in the mid-Ming period emphasized the importance of consumption to the economy, breaking the age-old belief in prohibiting luxury and defending the extravagant behavior of merchants. This argument supported the growing commerce of the Ming dynasty and called for merchants to rise from their lowly status.

During this time, literary figures also began to recognize the importance of merchants and called for social respect. An example can be found in the

¹ *Selected Works on Ancient Chinese Economic Thought*, Peking University Press, 1985.

17th volume of *Lasting Words to Awaken the World*, which includes the story *Zhang Xiaoji Recognizes His Uncle in Chenliu*:

Scholars study, farmers cultivate, craftsmen work diligently, and merchants strive to build their homes. People should not idle, as idleness leads to ruin.

Once, there was a nobleman, an official of high rank, with a family fortune worth ten thousand taels of gold. He had five sons: the eldest was taught to study, while the other four were taught farming, crafts, trading and commerce. The four sons were displeased and puzzled. They sent someone to inquire of the old minister, “Why don’t you have the other four sons study Confucianism? Moreover, farming, crafts, trading and commerce are laborious pursuits, unfit for people of higher status. Your family is wealthy. Why choose hardship over ease? Why give up comfort for toil? We fear the four young men might not be accustomed to it.”

The old minister laughed heartily, clasped his two fingers together, and spoke at length:

“People always say that being a scholar is the best path, but the truth is, not everyone can persevere in it. Everyone who studies aims to become a high-ranking official, but how many can actually achieve that? When they fail, they’re left with nothing but a scholar’s robe to cover their shame. They are weak and delicate, sensitive to the cold, the heat, and the wind. They think highly of themselves but are inferior to others in ability. They indulge in comfort without knowing that such indulgence can lead to ruin. Though farming, crafts, trading and commerce are tiring, those who engage in these pursuits find their work fulfilling and never tire of it. Hard work, once ingrained as a habit, builds strength in both body and spirit. The spring breeze brings prosperity to all, whether peach blossoms or vegetable flowers alike. Since ancient times, success has never come from ease. Comfort does not build a household; only hard work does. While I do cherish wealth

and status, I understand that they are fleeting. If my descendants lose their position, they will be despised. It's better to prepare them early for an equitable and balanced life. I'll leave the scholarly path to my eldest son, but the others shall pursue the four traditional occupations. Warm clothes and ample food are not easily obtained; constant diligence is our way to honor the heavens."

The purpose of this story is to encourage hard work and discourage idleness and indulgence. However, several points in the story are particularly noteworthy: First, the idea of diligence is represented by farmers, craftsmen, traders and merchants, while scholars are placed in a less favorable light. The phrase "Though farming, crafts, trading and commerce are tiring, those who engage in these pursuits find their work fulfilling and never tire of it" is a praise for laborers. Secondly, scholars are excluded from the traditional four classes of scholars, farmers, craftsmen, and merchants, and traders are added alongside merchants. This adjustment shows that the status of commerce and trade has significantly risen. Thirdly, by portraying the story's protagonist as an old minister, the narrative lends greater weight to his words, indicating that the importance of commerce is widely recognized among enlightened individuals in both the court and society. Engaging in commerce has become an honorable pursuit.

During the Ming and Qing dynasties, novels like the two volumes of *Slapping the Table in Amazement* (collectively known as *Two Slaps*), *Words to Enlighten the World*, *Words to Caution the World*, and *Words to Awaken the World* (collectively known as *Three Words*), and *Strange Stories from a Chinese Studio* frequently depicted the lives of merchants, illustrating their joys and sorrows. These stories played a significant role in elevating the status of merchants by highlighting their contributions and struggles.

Compared to their predecessors, merchants of the Ming and early Qing periods had become more resilient and assertive through their efforts.

The significant rise in the status of merchants occurred during the late Qing period. The Opium War in 1840 marked a turning point, as imperialist

forces, with their advanced weaponry, forced open the doors of the closed Chinese empire. At this critical moment for national survival, forward-thinking individuals called for abandoning outdated views on prioritizing agriculture over commerce, advocating for a commercial strategy to strengthen and protect the nation.

Wang Tao was one of the early intellectuals who embraced Western culture. He worked with British sinologist James Legge in Hong Kong for many years and traveled with him to England, France, and Russia between 1867 and 1870. Influenced by Western mercantilism, Wang Tao began to advocate for the development of capitalist industry and commerce to enrich and strengthen the nation. His visit to England marked a significant shift in his thinking. Previously, he had upheld the traditional view of prioritizing agriculture, but exposure to Western commerce inspired him to promote the idea that “commerce is the foundation of the nation.”

In *Letter to Guangzhou Prefect Feng Taishou*, Wang Tao listed commerce as the top priority in strengthening the nation and particularly emphasized the importance of foreign trade. “In ancient times, commerce was confined within the country; now, commerce must extend beyond borders.” This focus on foreign trade stemmed from witnessing the flourishing commercial practices in Western countries, which prompted the following observation:

“In the West, commerce is highly developed, with wheeled carts traversing the land and steamships navigating the waters, reaching even the most distant regions. Large companies, often formed by thousands of people, operate with immense wealth and resources. The government supports them by appointing officials and providing military protection. The merchants not only bear the costs, but the influence they wield enhances the nation’s prestige, ultimately contributing to its wealth and strength. This marks a significant shift in trade from ancient times to today.”

While merchants provide the funds, they also enhance the nation’s prestige. The idea is that when merchants prosper, the country prospers. The implication is that to make the nation wealthy, one must first enrich

the merchants. When discussing the advantages of trade, he presented the following three points:

*Moreover, there are three key benefits to engaging in trade: skilled craftsmen can earn their livelihood, idle individuals can find productive employment, and the wealth of merchants translates into national wealth. In times of need, this wealth can support and sustain the nation. Aren't these why Western countries make commerce the foundation of their prosperity?*¹

These arguments showcased his pioneering view that commerce is essential for national prosperity.

Wang Tao linked commercial power to military strength, observing that Western nations relied on commerce to sustain their military might. He noted that imperialist commercial routes were often secured through military force, suggesting that commercial prosperity led to military capability. “China’s foreign trade must equally prioritize both commercial and military strength to avoid unforeseen dangers.”² This marked a fundamental shift from the traditional focus on agriculture and warfare. Before modern times, those who spoke of enriching the nation and strengthening the military always emphasized agriculture, believing that having enough grain would ensure national prosperity and the ability to recruit soldiers for war. This was indeed practical, as the costs for swords, bows, and arrows were limited. Compared to guns and cannons, their expenses were only a fraction, allowing for victory without needing substantial wealth beyond grain storage.

However, in modern times, this has changed. Firearms and steam-powered machinery require immense resources once engaged in battle. The expenses are incomparable to the past, and even mountains of grain cannot withstand artillery attacks. Thus, beyond food supplies, a robust accumulation of wealth is necessary to support modern warfare. Without commerce to

1 Wang Tao, “Letter on Behalf of Prefect Feng of Guangzhou,” *Selected Materials on Modern Chinese Economic Thought*, Middle Volume, Zhonghua Book Company, 1982.

2 Wang Tao, “Dispatching Envoys”, *Supplementary Edition to Taoyuan Records*, Volume 2.

generate wealth, a strong military becomes an empty promise. Wang Tao's insight into linking commercial power with military strength was truly visionary.

Given that commerce is considered the foundation of a nation, what about agriculture? Wang Tao criticized the proponents of prioritizing agriculture, calling them "pedantic scholars." He stated, "These pedantic scholars often argue that the court should close the door on profit-seeking and not value financial management. Historically, China has emphasized agriculture over commerce, valuing grain over gold, seeing farmers as the true source of wealth and merchants as secondary. Adopting Western practices would mean abandoning the primary focus for a secondary one." By directly challenging the agrarian faction, Wang Tao advocated for a commercial-based approach to national strength, sharply criticizing the traditional views that devalued commerce.

Given the weak private sector, modern commerce initially had to take the form of government-supervised enterprises. Ma Jianzhong proposed the strategy of "government supervision and merchant operation (Guandu Shangban)," which was adopted in the Self-Strengthening Movement. Although private merchants developed slowly under government oversight, the status of merchants fundamentally changed as they rose from their previously marginalized position.

Following Wang Tao's proposition that "commerce is the foundation of the nation," Xue Fucheng, a key figure in the Self-Strengthening Movement, further elevated the status of merchants. His advocacy for commerce had a clear capitalist inclination, setting him apart from the traditional Self-Strengthening Movement.

In 1879, Xue Fucheng compared Chinese and Western views on commerce in his book *On Commercial Policy*: "In the past, the strategies for wealth and power, as discussed by Shang Yang, focused on agriculture and warfare. In contrast, Westerners prioritize industry and commerce for wealth and power. Agriculture and warfare lay the foundation for a country, and craft

industry and commerce are its expansion and application.” He praised the Western approach to wealth through commerce and outlined the essentials of commercial policies. Criticizing the inefficiencies of government monopolies, Xue Fucheng advocated for the development of private commerce, arguing that it aligned with human nature and benefitted the nation. He wrote:

The difficulty in initiating a project lies in its logic, and people are motivated by self-interest. In the marketplace, despite the challenges, merchants with capital continue to flock there. Why? Because everyone seeks to fulfill their own interests. When everyone seeks to fulfill their interests, it does not harm the state’s finances and ultimately benefits the public.¹

By discussing the rationality of merchants’ pursuit of wealth from the perspective of human nature, Xue Fucheng highlighted the advantages of private commerce for social development. This stood in contrast to the bureaucratic monopolies favored by some in the Self-Strengthening Movement.

Following Wang Tao, Xue Fucheng further elevated the status of merchants, stating: “Merchants are considered of the lowest class in China, but in the West, they are seen as the life and blood of the nation, contributing to the creation and sustenance of the state and producing miraculous effects. Why? Because merchants enable scholars to apply their learning, farmers to distribute their produce, and craftsmen to sell their creations. Therefore, merchants hold the key to the well-being of all four classes.” This reversal of traditional views was based on a historical reflection and a clear understanding of the current situation. He further explained, “We cannot rigidly adhere to the old doctrine of prioritizing agriculture over commerce. Consider how, during the ancient time of Shennong, people would meet in the marketplace at noon to trade and then disperse after that, each obtaining what they needed, thereby bringing harmony to the kingdom. Qi Taigong encouraged

1 Xue Fucheng, “Commercial Policy,” *Selected Materials on Modern Chinese Economic Thought*, Middle Volume.

women to engage in textile work, and Guan Zhong regulated salt prices, which led neighboring states to form alliances and pay homage to Qi. This demonstrates the power of commerce in unifying the world, as evidenced by ancient sages who employed such strategies. In the distant past, when most places were sparsely populated, isolationist policies were feasible. However, in today's interconnected world, even the wisest would not deprioritize commerce."¹ These arguments significantly contributed to elevating the social status of merchants.

Chen Chi and Zheng Guanying put forward numerous proposals to protect the interests of merchants and elevate their social status. Establishing the Ministry of Commerce and formulating commercial laws to protect merchants' interests were significant moves in the history of modern commerce. In his essay *On the Establishment of Ministry of Commerce*, Chen Chi argued that the fundamental purpose of creating such a ministry was to bring benefits to the nation. As commercial taxes had become a major source of revenue for modern states, and the proportion of land taxes had significantly dwindled, it was clear that "National expenses come from tariffs, tariffs come from merchants; without merchants, there are no taxes; without taxes, there is no nation." Therefore, protecting merchants became a matter of national survival. "Without dedicated officials and laws for commerce, its true potential will remain stifled, and commercial activities cannot thrive." The establishment of the Department of Commerce aimed to break the tradition of prioritizing agriculture over commerce. "China's long-standing tradition of prioritizing agriculture over commerce has marginalized merchants, denying them dignity and opportunity." The ultimate goal was national prosperity, achieving this required supporting and protecting commerce, as merchants were the key drivers of that prosperity.

Zheng Guanying criticized the state's exploitation of merchants in his poem *Commerce Lament*, where he lamented, "the official control of commerce

1 Xue Fucheng, "On Britain Cultivates Uninhabited Lands Through Commerce," *Selected Materials on Modern Chinese Economic Thought*, Middle Volume.

makes it difficult for merchants to maintain autonomy,” and “although it claimed to protect merchants, it exploited them. Government control over commerce was oppressive, causing Chinese trade to fall behind globally and fueling resentment.” As a former Confucian scholar who turned to commerce and eventually became a representative of the national bourgeoisie, Zheng Guanying’s famous work *Words of Warning in Times of Prosperity* exposed the bureaucratic oppression of merchants and strongly advocated for the protection of merchant interests and the revitalization of national commerce. Like Chen Chi, he thought of the establishment of a Ministry of Commerce as crucial for commercial revitalization, though his proposals were more specific. For example, he suggested that officials in the Ministry of Commerce should “be familiar with business, travel around the world, and be proficient in both Chinese and Western languages.” He also proposed setting up a Commerce Bureau in each province, with branches established by local merchants. Each year, experienced and reputable merchants would be elected to manage these bureaus, ensuring continuous protection of merchant interests. By eliminating various forms of commercial exploitation, merchants could prioritize national interests and “undertake important tasks by modeling after Western practices,” thereby making the country prosperous.¹

As a national capitalist, Zheng Guanying had a strong desire to develop national industry and commerce, hoping that merchants would strive for self-improvement and stand firm against foreign competition. He said, “Nowadays, the doors are wide open, allowing foreign merchants to monopolize in countless ways. They are permitted to set up factories and use local materials, thus avoiding taxes, making their production cost much lower than that of domestic goods. This truly allows them to outshine and replace our local businesses, seizing profits from our people. If our local merchants refuse to strive to stay ahead, still focus on immediate gains without considering the long-term benefits, and still engage in the rat race, don’t we just allow

1 Zheng Guanying, “Commerce I,” *Words of Warning in Times of Prosperity*, Third Collection, Volume 1.

foreigners to dominate, eventually taking all the profits from us?”¹ Foreign merchants enjoy favorable conditions and can monopolize at low costs, creating unprecedented pressure on domestic merchants. In this context, it is essential for our merchants to be self-reliant and resilient. At the same time, there is a need for governmental support rather than suppression. He strongly criticized Chinese officials for not only failing to assist merchants but also suppressing and exploiting them.² His insights and concerns were far beyond the views of the Self-Strengthening Movement.

The crisis in modern China represented an unprecedented upheaval. Superficially, it appeared to be a military confrontation, but fundamentally it was an economic competition. Imperialist powers used military aggression as a means, but economic plunder was their goal. Zheng Guanying had a clear understanding of that and proposed the concept of “commercial warfare.” He stated:

*The harm of military conquest is easy to see, but commercial exploitation weakens a country imperceptibly. As long as our commerce remains stagnant, their greed will persist. Even if we have many brave generals and a powerful navy, they will come and go with ease, achieving their goals without resistance. Thus, I can conclude in one sentence: controlling trade is more crucial than winning on the battlefield.*³

Zheng’s approach to commercial warfare was closely tied to the development of national industry. His ten-point commercial strategy emphasized the integration of industry and commerce, focusing first on production and then on sales to compete with foreign goods. For instance, he advocated for the domestic mass production of items such as kerosene and matches to meet daily needs and compete against foreign products. He also proposed modernizing Jingdezhen’s porcelain factories to imitate Western

1 Zheng Guanying, “Commerce I,” *Words of Warning in Times of Prosperity*, Third Collection, Volume 1.

2 Zheng Guanying, “Commerce I,” *Words of Warning in Times of Prosperity*, Third Collection, Volume 1.

3 Zheng Guanying, “Commercial Warfare,” *Words of Warning in Times of Prosperity*, Third Collection, Volume 3.

designs and colors, targeting the European demand for curiosities. Similarly, he recommended replicating foreign silk crepes using the weaving techniques of Hangzhou and Nanjing, ensuring they were strong, fine, and affordable. These products would be exported to cater to foreigners' taste for luxury and compete with imported goods. According to Zheng Guanying, industry and commerce are inseparable, with commerce being the root and industry the branches. "Industry supports commerce," he argued, placing commerce above industry. He urged the authorities to "establish a Ministry of Commerce to oversee and manage industrial matters." Zheng's bold vision was to strengthen the nation through commerce, using trade as a tool to counter foreign competition and bolster national strength.

By this time, modern mercantilism had become a significant trend. The traditional belief in prioritizing agriculture over commerce was facing unprecedented criticism. Merchants emerged as the saviors of the nation, with the sentiment "Revitalizing China starts with its merchants" becoming a widely accepted view among enlightened individuals. Encouraged by public opinion, merchants shed their previous submissive demeanor and took on the mantle of revitalizing the nation with a sense of pride and responsibility. They boldly declared:

In ancient times, strength lay in pastoralism; in the medieval era, it was in agriculture; in modern times, strength lies in commerce. The foundation of a strong nation should be borne by us, the merchants.¹

This sense of responsibility among merchants was remarkable in modern society. Although many merchants turned into compradors, the idea of saving the country through commerce was imbued with a patriotic spirit. It reflected a strong sense of national pride among some merchants as they emerged from their marginalized status.

Mercantilism gradually permeated from the grassroots to the court. Faced with internal and external pressures, the late Qing government began to abandon the two-thousand-year-old policy of prioritizing

¹ Business Newspaper, 1900, Issue 8, cited in Ma Min's *Between Officials and Merchants*.

agriculture over commerce and started to genuinely value commercial activities. The proposal by Chen Chi and Zheng Guanying to establish a Ministry of Commerce was finally realized in 1903, a milestone in the history of Chinese commerce. This move indicated that the Qing court had begun to see commercial revitalization as a crucial strategy for national rejuvenation.

Simultaneously, commercial laws were enacted. In January 1904, “Company Law” and “General Principles for Merchants” were issued by the Qing dynasty. These regulations established the identity and rights of merchants, granting merchant-run companies the same status as government-run companies. Although they failed to fully safeguard the interests of industrial and commercial entrepreneurs, China’s first official commercial laws marked a significant social shift, signaling commerce was no longer considered the “least important occupation.”

Following the establishment of the Ministry of Commerce, a series of regulations were introduced to incentivize Chinese merchants. The “Regulations for Rewarding Chinese Merchants and Companies” allowed merchants to be granted honorary titles such as consultants and councilors based on their financial contributions, and they could even be awarded top-class official hats. This period marked the beginning of renewed prosperity for merchants.

Since their decline in the Warring States period, it took merchants almost 2000 years to experience a revival at the turn of the 20th century. However, merchants still faced significant challenges. Government exploitation, continuous warfare, and the lack of a peaceful environment for commercial development hindered their progress. Foreign merchants, with their experience, strong financial backing and favorable policies, posed a significant threat to Chinese merchants. These obstacles prevented modern merchants from rapidly expanding their influence. In this context, relying solely on commerce could not bring about a prosperous China. Under the semi-colonial and semi-feudal rule, commerce alone was insufficient to save the country.

The historical fluctuations in the status of merchants mirror broader social and cultural changes in China. Examining the history of commerce provides a distinctive perspective on Chinese society and culture.

Chapter Two Merchants and the State

Section One State-Operated Businesses

China has always been a society where the government plays a central role, with every industry intricately connected to the government. Commerce, being a major channel for generating wealth, naturally was subjected to rigorous control and manipulation by the state. The relationship between officials and merchants significantly influenced the fate of the latter, making it a subject worthy of careful examination.

The relationship between officials and merchants can be understood in three key aspects: First, state-run businesses. In these ventures, participants were either high-ranking financial officials or lower-ranking servants and slaves. Many state treasurers were former private merchants who brought their commercial expertise into their official roles, essentially continuing their trade under the state's authority. Second, merchants who became officials. These political opportunists saw greater profit in governance or aimed to fulfill their political ambitions. Some left their commercial endeavors entirely to join the bureaucracy, while others sought protection from officials to gain more advantages. These merchants-turned-officials formed a new influential class in commerce, significantly shaping the mercantile landscape. Third, officials engaged in private commerce. Unlike those involved in state-run businesses, these officials used their positions for personal profit, engaging in practices

similar to crony capitalism. While they operated within the commercial sector, their activities were uniquely shaped by Chinese political dynamics and had a long-standing history.

Let's start by looking at the merchants involved in state-operated commerce, the classic example of "official merchants."

Before the Warring States period, "craftsmen and merchants were sustained by the state,"¹ meaning commerce was a state pursuit. Lower-tier merchants working for the state were mostly servants or slaves. Thus commerce, as a profession, was a kind of state-operated activity, with these individuals serving as drivers, bookkeepers, or other roles supporting state commercial ventures. They did not profit directly from commercial activities but relied on state provisions for their livelihood, hence the term "craftsmen and merchants were sustained by the state." Technically, these individuals were not merchants in the true sense but rather laborers working for state commercial institutions, quite different from the later concept of merchants. *Baihu Tong* has such definitions: "The term 'merchant' (Shang) implies trade and exchange, assessing distances and opportunities, and facilitating the flow of goods across regions, hence the name. The term 'trader' (Gu) means acquiring useful items to await customers and seek profit. When traveling, they are called merchants; when stationary, they are called traders."² These merchants could make their profits, but why would they need to be sustained by the government? Therefore, the concept of "craftsmen and merchants being sustained by the state" suggests that before the Spring and Autumn period, those involved in state commerce weren't true merchants but rather slaves serving the government.

Among those in state-operated commerce, the true merchants were the state officials directly managing these operations. These individuals were not only administrators but also promoters of state commerce.

We knew very little about the achievements of those officials who

1 "The Discourses of Jin", *The Discourses of the States*.

2 "Merchants", *Baihu Tong*, Volume 3.

managed state commercial activities before the Spring and Autumn period. The only thing we know is some of their names in *The Rites of Zhou*.

After the Eastern Zhou dynasty, the paradigm of “craftsmen and merchants sustained by the state” was disrupted. Private commerce thrived while state-operated commerce dwindled. Private merchants were particularly active in states like Jin and Zheng, while Qi, a state traditionally known for its commercial prowess, saw a rise in government monopolies. The state-operated commerce in Qi underpinned much of the commercial policy for the next two millennia.

Guan Zhong, Prime Minister of Qi, is often regarded as the first prominent official merchant. As discussed in the previous chapter, his introduction of state monopolies on salt and iron, along with price stabilization policies, highlighted his skill as a fiscal manager for the state. However, it’s worth noting that *Guanzi*, the text that records his thoughts and actions, was compiled by various authors from the Warring States period to the Qin and Han dynasties, raising questions about the authenticity of his commercial strategies. Therefore, our focus here will be on state-operated commerce and key fiscal managers in the Han dynasty.

Although merchants were prohibited from wearing luxurious clothes, riding in carriages and holding official positions, these rules were not strictly enforced during the Han dynasty. Merchants still were dressed in fine silks, travelled in gilded carriages, and became high-ranking officials. During Emperor Wu’s reign, three notable financial experts were appointed: Xianyang, Kong Jin, and Sang Hongyang. Their backgrounds were as follows:

*Xianyang, the major salt producer of Qi; Kong Jin, the great smelter of Nanyang; both amassed wealth of thousands of taels of gold. Therefore, Zheng of that time recommended them to the authorities. Hong Yang, son of a merchant from Luoyang, entered the emperor’s service at the age of thirteen due to his acumen. Thus, these three individuals discussed matters of profit with meticulous precision.*¹

¹ “Treatise on Equalization”, *Records of the Grand Historian*.

Emperor Wu's appointment of these three individuals highlighted his urgent need to accumulate wealth for the state, a decision made despite considerable opposition. Even Sima Qian lamented, "The official path has become mixed and disordered; merchants are now frequently chosen as officials."¹ The precedent set during the reigns of Emperors Hui and Gao, which barred the descendants of city dwellers from holding official positions, was broken by Emperor Wu due to the pressing financial needs caused by wars with Xiongnu ethnic minority and the natural disasters.

Upon their appointment, Xianyang, Kong Jin, and Sang Hongyang lived up to expectations by vigorously increasing state revenue. Xianyang and Kong Jin were appointed deputy ministers of agriculture, overseeing salt and iron production, while Sang Hongyang, leveraging his background in a merchant family, handled state accounting. The team was a perfect fit, with each member's expertise complementing the others.

The primary initiative was to assert state control over salt and iron production.

Xianyang and Kong Jin advised the emperor: "The natural resources of the mountains and seas should be under the control of the lesser treasury, not privately managed. We suggest recruiting civilians to cover the costs and using official equipment to produce salt, with the government providing the facilities. Anyone privately producing salt or iron should face severe punishment, including the amputation of their left foot and the confiscation of their tools. Counties without iron production should establish small iron offices under local control."² This established that the salt and iron industries would be state-managed, with harsh penalties for private enterprises.

This proposal of state monopolies on salt and iron was implemented immediately. The first step was to assemble a management team for these industries, selecting officials among wealthy private salt and iron merchants. As recorded in *Records of the Grand Historian*, "the state employed former

1 "Treatise on Equalization", *Records of the Grand Historian*.

2 "Treatise on Equalization", *Records of the Grand Historian*.

private salt and iron merchants as officials.” Thus, state-run businesses were controlled by private salt and iron merchants. While it might seem that these merchant officials would protect the interests of craftsmen and merchants, offering them opportunities, they were far from allies to private traders. Their sole focus was on serving imperial interests, often at the expense of their former peers. Consequently, these merchant-officials brought no benefits to private commerce, instead managing finances for the imperial family, with the true beneficiaries being the feudal state rulers.

The monopolies greatly boosted state revenue but also created several issues. Government-produced salt and iron were often overpriced and of poor quality. The introduction of the Suan Min tax (a tax on property and wealth) and taxes on shipping further increased transportation costs, driving up prices. Merchant Bu Shi advised lowering the shipping tax, but this angered the emperor and led to his demotion. Meanwhile, officials like Sang Hongyang, who managed the monopolies, gained more power and influence.

Sang Hongyang later implemented more measures that not only increased state revenue but also enhanced social stability. According to *Records of the Grand Historian, Treatise on Equalization*, he employed the following strategies:

Hong Yang noticed that various state offices conducted their market transactions, leading to price fluctuations and inefficiencies. To address this, he proposed creating the position of Grand Minister of Agriculture, supported by several dozen deputies. These deputies would oversee prefectures and counties, establishing equal distribution offices on salt and iron to collect taxes, especially on those goods traded by merchants when the prices were high. A central office, called the Price Stabilization Bureau, was set up in the capital to manage the collection and distribution of these goods. Craftsmen were to produce essential tools and vehicles, all under the support of the Grand Minister of Agriculture. The Grand Ministry of Agriculture controlled the national supply of goods across the country, buying low and selling high

to prevent wealthy merchants from making excessive profits, thereby stabilizing prices. This policy, known as “price stabilization,” got the emperor’s approval. Following this, the emperor traveled extensively—to Shuofang in the north, Mount Tai in the east, and along the northern border—distributing lavish gifts of silk, money, and gold, all provided by the Grand Minister of Agriculture.

The core of Sang Hongyang’s policy was to implement state monopolies over industry and commerce, thereby suppressing private merchants and reverting to the old system of “craftsmen and merchants sustained by the state.” The directive that “craftsmen were to produce essential tools and vehicles, all under the support of the Grand Minister of Agriculture” meant that craftsmen were controlled and sustained by the state, effectively making them state employees, hence the term “craftsmen officials.” Furthermore, “the Grand Ministry of Agriculture controlled the national supply of goods across the country” meant an official monopoly. This government-run commerce was a classic example of state-operated business. The direct consequence of this policy was giving a devastating blow to private businesses, leaving them unprofitable and forcing merchants back to agricultural work. Meanwhile, the imperial household greatly benefited from this system, as the Grand Ministry of Agriculture supplied most of the imperial expenditures. Sang Hongyang’s success won him much favor from Emperor Wu.

Sang Hongyang introduced a practice allowing people to trade grains for official positions or for criminals to buy their freedom, turning it into a lucrative, cost-free enterprise. This practice contributed to the growing sale of official ranks and titles, which later became a symbol of corruption. Yet, in the short term, it brought considerable economic benefits. “Within a year, the imperial granaries were overflowing, and surplus goods from border regions, including five million bolts of silk, were abundant. The people paid no extra taxes, yet the nation prospered.”¹ Sang Hongyang’s financial strategy, based on state monopolies, generated wealth without placing a heavy tax burden on

1 “Treatise on Food and Commodities”, *Book of Han*.

farmers, marking a shift in fiscal policy by showing that substantial national wealth could be amassed through commerce rather than heavy agriculture taxes alone.

That year, a slight drought occurred, and the emperor ordered the officials to pray for rain. In response, Bu Shi made a cutting remark: “Officials should live off rent and taxes for their sustenance. Now, Sang Hongyang’s subordinates sit in the market trading goods for profit. If Sang Hongyang is boiled, the heavens will send rain.”¹ This sarcastic comment highlighted that officials were no longer relying on traditional taxes but were profiting directly from state-run commerce. Sang Hongyang’s subordinates had effectively become merchants themselves, and it was no surprise that those with experience in the salt and iron industries were being appointed as officials. These officials had commercial experience and could leverage their official positions to earn significant profits. Bu Shi’s suggestion to boil Sang Hongyang to bring rain indicated widespread dissatisfaction with him. Nevertheless, Sang Hongyang was a significant source of revenue for the emperor, and despite criticism, his position remained unshakable. When Emperor Wu fell ill, fearing that Sang Hongyang’s low rank might make him more susceptible to attacks, he appointed him as Imperial Counselor, showing his utmost consideration for Sang Hongyang.

The state monopoly on salt and iron, along with the equal distribution policy, was not uniformly praised by officials and the public. As its drawbacks became more apparent, criticism increased. “In the sixth year of Emperor Zhao’s reign, an edict was issued to recommend virtuous and learned scholars from various regions to inquire about the people’s grievances and the essentials of governance. They all advocated for the abolition of the state monopolies on salt, iron, and alcohol, as well as the policy, arguing that the government should not compete with the people for profits and should instead focus on frugality to promote proper conduct and effective governance.”² These

1 “Treatise on Food and Commodities”, *Book of Han*.

2 “Treatise on Equalization”, *Records of the Grand Historian*.

virtuous and learned scholars, representing the interests of the people, were uniformly opposed to the direct state monopoly on commercial profits, indicating a conflict of interests between Sang Hongyang's official commercial group and the common people.

Sang Hongyang's criticism of these scholars gave rise to a significant debate about whether to maintain the state monopolies on salt and iron. This debate turned into a major event in Chinese history and was later compiled into the book *Discussions on Salt and Iron*.

At its core, this debate was still a dispute over the issue of primary versus secondary importance. The virtuous scholars adhered to the agrarian-based view, while Sang Hongyang, though not denying agriculture as fundamental, also placed the state's commercial activities in the category of "primary importance." He argued, "This is the foundation of the nation's grand enterprise, essential for controlling the surrounding tribes and securing sufficient resources for border defense; it cannot be abandoned."¹ Both sides upheld the primary-secondary framework, but their focus differed. Let's examine a few rounds of this conflict.

1. In the sixth year of Emperor Zhao's reign, an edict was issued calling on the Chancellor, the Imperial Counselor, and esteemed scholars to discuss the grievances of the people. The scholars argued: "Good governance starts by addressing corruption at its source, strengthening moral values, curbing excessive profits, and promoting righteousness over material gain. This allows education and culture to thrive, and social customs to improve. However, with the state monopolizing salt, iron and alcohol, and adopting the policy, the government competes with the people for profits, eroding virtue and encouraging greed and corruption. As a result, fewer people are focusing on farming, while many pursue secondary profits. We suggest abolishing these monopolies to promote agriculture and reduce distractions, thereby benefiting the farming sector."

¹ "Treatise on Equalization", *Records of the Grand Historian*.

The Counselor replied: “The Xiongnu have repeatedly rebelled and invaded our borders. Preparing for their attacks strains the people while failing to prepare leaves us exposed to constant raids. The late emperor, understanding the prolonged hardship of those living near the border, fortified the frontiers, maintained beacon towers, and stationed troops to defend against invaders. With limited funds, he introduced monopolies on salt, iron, and alcohol, and established offices to fill the state treasury and cover border defense costs. Now, you propose abolishing these measures, which would drain the treasury and leave our soldiers cold and hungry. This is simply not a viable solution.”¹

In this debate, the core issue was whether to prioritize agriculture or focus on national security. The Counselor’s position was directly tied to the pressing need for national defense, while the scholars, though arguing from a moral standpoint, offered ideas that were harder to put into practice. Sang Hongyang also addressed the issue of primary versus secondary importance, but instead of favoring one over the other, he advocated for a more balanced approach. He said: “In ancient times, nations established pathways for both fundamental and secondary activities, facilitating the exchange of goods and unifying markets, thus achieving a harmonious society where farmers, merchants, craftsmen, and scholars pursued their private interests. *The Book of Changes* says, ‘Change drives progress and prevents the people from growing weary.’ Without craftsmen, farmers wouldn’t have the tools they need, and without merchants, essential goods would be in short supply. Poor tools slow down farming, and a lack of goods weakens the economy. That’s why the salt and iron monopolies are crucial for managing resources and balancing supply and demand. Abolishing them would be unrealistic.”² These arguments echoed Guan Zhong’s theories, which greatly influenced Sang Hongyang’s thoughts on commerce. Unlike typical stances of prioritizing agriculture over commerce, they advocated for a balanced approach to strengthen the national

1 “Original Discussion”, *Discourse on Salt and Iron*.

2 “Original Discussion”, *Discourse on Salt and Iron*.

economy and maintain security. This pragmatic strategy made their policies sustainable within a feudal society.

2. *The Counselor argued, “When ordinary people possess something valuable, they store it securely—so how much more should a ruler safeguard the nation’s treasures, such as the resources hidden in its mountains and seas? These resources lie deep in remote areas, inaccessible to the average person, and only those with special power and influence can exploit them. In the past, when salt and iron weren’t controlled by the state, commoners like the Bing family of Qu and nobles like Liu Bi, the King of Wu, monopolized these natural riches. By reducing taxes and providing aid to the poor, they gained public support and raised their status. As their influence grew, so did their ambitions to rebel against the imperial court. If such a trend is not halted at its roots, it can cause great harm, like a breach in Lüliang Mountain, the water of the Yellow River would flood unchecked. As the Grand Duke Jiang once said, ‘When one family pursues selfish gain, it harms a hundred. When a hundred families do the same, it damages the feudal lords. When the feudal lords seek only personal profit, it endangers the entire nation. This is what royal law forbids.’ By relinquishing control of salt and iron to wealthy elites, you abandon state-run policies and instead empower violent, greedy individuals. They will gather like-minded allies, forming factions centered around the households of the rich. If this is allowed to happen, these elites will become increasingly difficult to control, and lawlessness, corruption, and land grabs will soon follow.”*

The scholars argued, “A ruler should not amass wealth; it should be left in the hands of the people. When rulers avoid excessive profit and prioritize the welfare of their subjects, virtues can thrive, fostering a more civilized society. The Three Huan families controlled the state of Lu, and the six ministerial families dominated Jin, yet their power did not stem from monopolies on salt and iron. True power and wealth do not reside in natural resources but within the court itself. The real harm

comes not from external forces but from corruption within the court.”

The Counselor responded, “When the state controls natural resources, society remains balanced, and equality between rich and poor ensures contentment among the people. By setting fair standards, the government promotes honest trade, so even a child in the market cannot be deceived. However, without these controls, powerful individuals would monopolize resources, manipulate markets, and create instability. This would empower the strong at the expense of the weak, fostering corruption and harming society. When the strong prosper while the weak are oppressed, the common people suffer, much like crops overrun by weeds.”¹

In the first part of the debate on external threats, Sang Hongyang argued that if the state did not monopolize salt and iron, and if the price-stabilizing policy was not implemented, the nation couldn't defend itself against foreign enemies. In this part, he addressed internal threats, citing examples like Qu Bing and the King of Wu, who used their control over natural resources to strengthen power and rebel against the government. He argued that monopolizing salt and iron and regulating resources were necessary to curb the power of the wealthy and maintain political stability. Despite the scholar's strong rebuttals, the emperor favored Sang Hongyang's practical approach, as these practical approaches aligned with the imperial interests. The scholar's arguments, though morally sound, were deemed impractical.

Sang Hongyang exaggerated the dangers of the wealthy, connecting economic control directly to political stability, which attracted the emperor and also put the emperor on alert. He argued, “Iron tools and weapons are vital to the state and should not be left to private production. In the past, powerful families seized control of the profits from natural resources, mining iron, forging metals, and producing salt. These families attracted large groups of followers—sometimes numbering in the thousands—by recruiting displaced individuals. These people abandoned their hometowns and ancestral graves

1 “Prohibiting on Farming”, *Discourse on Salt and Iron*.

to live under the protection of these families, settling in remote mountains and marshlands, engaging in deceptive practices, and forming factions.”¹ Such actions often led to rebellion, as these wealthy and influential figures became increasingly difficult to control. Therefore, monopolizing resources was not merely an economic policy, but a political measure to consolidate power.

Sang Hongyang was not only a practitioner and executor of state-operated commerce but also a theorist who significantly shaped and advanced this economic model. His ideas were adopted by generations of rulers. Although Emperor Yuan once abolished the state monopoly on salt and iron, it was reinstated three years later due to financial difficulties. This state monopoly on major commodities continued until the latter half of the 20th century, demonstrating its great resilience.

However, this approach also had significant drawbacks. First, the state monopoly on major commodities effectively marginalized and suppressed wealthy private merchants, stifling the growth of private enterprise and curbing economic dynamism. While the state engaged in commerce, ordinary people were left with agriculture as their only option. The policy of prioritizing agriculture over commerce mainly targeted the general populace. The suppression of private commerce resulted in a lack of dynamism in the economy. Second, the absence of competition in state-run industries led to declining product quality and service standards, negatively impacting both production and daily life. Remarks from virtuous officials highlight these consequences:

“County officials smelt iron tools, mostly producing large items to meet quotas, neglecting the needs of the people. The tools are blunt and ineffective, making farming more laborious and yielding less, causing suffering among the populace.”

“Formerly, when conscripted soldiers and craftsmen were allowed to lease land and engage in smelting and salt production, salt prices were comparable to grain, tools were functional and practical, and

1 “Return to Antiquity”, *Discourse on Salt and Iron*.

the process was profitable. Now, county officials produce poor-quality iron tools that are costly and inefficient. Soldiers and craftsmen work hard but fail to meet quotas. Salt and iron are expensive, causing inconvenience to the people. Poor farmers resort to wooden plows and hand tools, eating bland food. Unsold iron tools are sometimes forcibly allocated to the people. When workers fail to meet production targets, they are pressed into additional service, leading to endless conscription and hardship.”¹

Although these statements may exaggerate, they reveal the major drawbacks of the state monopoly on salt and iron. Monopolies tend to reduce productivity, a common issue associated with centralized control.

Sang Hongyang, as a representative figure of state commerce, achieved success by leveraging governmental power to establish monopolies and suppress private merchants, thereby generating substantial wealth for the state. While this proved effective as a short-term measure to address the immediate financial crises, such a strategy is with many problems in the long term. Therefore, state commerce can only thrive when supplemented by private commerce.

After Sang Hongyang, the system of state monopolies continued to evolve. During Wang Mang’s reign, alcohol was added to the list of state-controlled commodities, further encroaching on private profits. From the Tang dynasty onward, tea became a major commodity and many tea merchants made substantial profits from it. In Bai Juyi’s poem *Song of the Pipa Player*, the musician’s husband is a tea merchant. “Merchants value profit over family; last month, my husband went to Fuliang to trade tea.” The tea trade must be extremely lucrative as the merchant in the poem left the beautiful wife in an empty boat at Jiangkou by herself for the tea trade. During the mid-Tang period, private tea trading was banned. By the Song dynasty, tea became a state-controlled commodity. The government set up six trading offices in strategic locations, overseeing numerous tea merchants. These merchants

1 “Flood and Draught”, *Discourse on Salt and Iron*.

received money upfront for their tea, which was then sold exclusively to the government, which handled its resale.¹ Alum was also a restricted merchandise. “In February of the third year of the Kaibao era, a ban was imposed on merchants privately trading alum from Youzhou. Violators had their goods confiscated. Later, it was decreed that those caught privately trading over one *liang* (about 37g) of alum from Hedong or Youzhou, privately producing three *jin* (about 1500g) of alum, or stealing ten *jin* of government alum would be executed.”² These were very strict regulations. Additionally, imported aromatic medicines and treasures were also subject to government monopoly.

Wang Anshi, a prominent official and royal merchant during the Song dynasty, boldly took charge of state finances, amassing significant wealth for the imperial family. As both a politician and an imperial merchant, he exploited his position to accumulate wealth, making the gains of official merchants far exceed those of private ones.

The background for reforms in the Northern Song dynasty closely mirrored the fiscal crisis that led to the state monopoly on salt and iron during the Western Han dynasty. According to the *Food and Commodities* of the *History of the Song*:

After a long period of peace, the population grew annually; military recruits increased, and the number of officials multiplied. Monks, Taoists, and foreign affairs drained the resources of the state. The expenses of the government were several times higher than before, and the people, too, became increasingly extravagant, leading to financial difficulties for both the upper and lower classes.

When Yuanhao pled for peace, the court, tired of war, conceded and agreed to provide an annual grant of silk and tea up to 250,000 units. Additionally, the Khitans demanded land from the Song dynasty and required that their annual grant be raised to 500,000 units. ... By the time of Emperor Zhenzong, there were 9,785 officials on salary... .

1 “Treatise on Food and Commodities”, Part 2, *History of the Song Dynasty*.

2 “Food and Commodities”, Part 20, *Collected Statutes of the Song Dynasty*.

By the Bao Yuan period, this number increased to 15,443... . During the Jingde period, the expenses for rituals and rewards for internal and external staff alone totaled 6.01 million in gold, silk, and coins, and increased to over 12 million during the grand Xiangmingtang Ritual. Hence, expenditures could not be curtailed.¹

The most significant internal drain on the Song dynasty's finances was the bloated salaries of its officials, while externally, large grants for temporary peace, rather than military campaigns, further strained the treasury. Both were unsustainable without substantial financial support. Wang Anshi rose to prominence in this background, naturally prioritizing fundraising efforts. His reforms reflected a merchant's keen financial calculations.

First, the Green Sprouts Law. Under this law, the government provided loans to the people at interest, typically lending in spring and collecting in summer, and lending in autumn and collecting in winter. Although it appeared to offer some benefit to farmers, it in fact was an exhortation due to the exorbitant interest rates. Han Qi criticized it in his letter to the emperor, stating:

Now, with the Green Sprouts Loans, if ten thousand units of money are lent in spring, two thousand units of interest must be paid within six months. Another ten thousand units are lent in autumn, and by the end of the year, another two thousand units of interest must be paid. Thus, borrowing ten thousand units a year requires paying four thousand units in interest.²

With an annual interest rate of 40%, the loans were akin to usury. Neither the wealthy nor the poor wanted these loans, as they were difficult to repay. Wang Anshi enforced compulsory borrowing, leading to severe social consequences. Sima Guang noted:

Now, money is lent to the people to collect interest. The wealthy, however, are reluctant to borrow, while officials tried to issue as many

1 "Treatise on Food and Commodities", Part 1, *History of the Song Dynasty*.

2 "Treatise on Food and Commodities", Part 4, *History of the Song Dynasty*.

loans as possible to inflate their achievements. To ensure repayment, both the rich and poor are coerced into guaranteeing each other's debts. When the poor cannot repay, they flee in all directions, leaving the wealthy, who cannot escape, to shoulder the debts of multiple households. With two loans issued each year and interest accruing daily, the poor are driven to destitution, and even the rich are eventually drained of their resources. In ten years, no one will have the means to survive.¹

This so-called poverty relief loan was, in reality, a method of extracting money from the people. While the state profited, it drove countless individuals into bankruptcy.

Second, the Law of Market Exchange. This law, similar to the previous price stabilization policy, involves government speculation. The situation was as follows:

Wei Jizong, claiming to be from the grassroots, submitted a proposal: "... Now, wealthy families took advantage of urgent needs of the people, making high profits. Wealth becomes concentrated in the hands of a few people, and national resources are depleted. I propose establishing a permanent market exchange office with government funds, appointing officials knowledgeable in finance and reputable merchants to manage it, and setting fair prices for goods. When prices are low, we buy; when high, we sell. The profits are to fund the public expenditures." Thus, the Secretariat proposed to the emperor to establish a Market Exchange Officer in the capital. The office would purchase marketable goods and unsold items from the public at fair prices. Those willing to exchange goods with the government could do so. If individuals wished to sell to the government, the value of the goods would be appraised, and loans would be issued with a set repayment period. Interest rates would be fixed at 10% for six months or 20% for a full year. All relevant departments would be required to follow this policy.

The law aimed to stabilize prices. However, as it involved commercial activities, particularly lending to merchants at interest, it significantly

¹ "Biography of Sima Guang", *History of the Song Dynasty*.

benefited the government. At the time, the imperial family invested 1 million strings of coins from the imperial treasury, and the Eastern Capital District invested 870,000 strings of coins in the Market Exchange. From the fifth to the ninth year of the Yuanfeng era, the combined interest and profits of the above-mentioned investment amounted to 332,000 strings. The implementation of the Market Exchange Law in the capital stopped merchants from doing business there. Zheng Xia observed: “Since the enactment of the Market Exchange Law, merchants have avoided entering the capital and traveled detours through Hebei and Shaanxi instead. Northern traders passing through the southeast did likewise. The city gates, controlled by the Market Exchange Office, mandating all goods entering the city to be registered and sold through the office, effectively reducing commercial taxes.”

Thus, the Market Exchange Office not only dealt with surplus goods but also monopolized city trade more stringently than the Han dynasty, resulting in widespread opposition.

The Equal Distribution Law allowed the government to engage directly in commercial activities, effectively turning itself into a merchant and competing with private traders for profits. The government allocated funds to a “Distribution Commissioner” as capital for these transactions. The commissioner would buy low and sell high, with the goal of “gradually consolidating the control of levies and disbursements under the state, thereby regulating supply and demand, facilitating transport, reducing labor costs, eliminating heavy taxes, and relieving the burden on farmers. In this way, the state’s finances would be sufficient, and the people’s wealth would not be depleted.” While the Han dynasty’s state-run commerce was limited to monopolies on large commodities like iron and salt, Wang Anshi extended government control to a broader range of fields, making state-run commercial monopoly go to extremes.

The analysis of Wang Anshi’s reforms highlights his primary focus on profit-making. He not only encroached upon merchants’ interests but also stripped farmers of their benefits. As the architect of state commerce,

he temporarily amassed wealth for the nation, but his policies also sparked widespread social unrest. During the Northern Song dynasty, intense factional conflicts arose, with prominent figures like Sima Guang and Su Shi staunchly opposing Wang Anshi. After Emperor Shenzong's death, the young Emperor Zhezong came under the regency of Empress Dowager Gao, who favored the old party. She reinstated Sima Guang as prime minister and systematically dismantled Wang Anshi's reforms, leading to their eventual collapse.

Why did Sang Hongyang's policies see relative success, while Wang Anshi's reforms ended in complete failure? One reason was the strong opposition from powerful factions in the Northern Song dynasty. More significantly, Wang Anshi's new laws caused widespread bankruptcy across all social classes. In the Han dynasty, the primary goal was to suppress wealthy merchants, but in the Northern Song, even farmers were adversely affected. While the Han dynasty focused on monopolizing salt and iron, the Northern Song's Market Exchange and Equal Distribution laws created a broad commercial monopoly, driving not only the rich and merchants but also the poor and farmers into bankruptcy. As a result, Wang Anshi's reforms were destined to fail.

Guan Zhong, Sang Hongyang, and Wang Anshi were the three most important planners and executors of state commerce in ancient China. The state-run activities of Guan Zhong and Sang Hongyang were relatively successful because their strategies ensured the continuation of the ruling. By managing state operations like salt and iron production, the government accumulated substantial wealth while reducing the burden on farmers, thereby maintaining social stability despite the stagnant economy. In contrast, Wang Anshi's encroachment on farmers' interests and the unlimited expansion of state commerce led to widespread bankruptcy and dissent, resulting in instability. Chinese politics prioritize preventing chaos and maintaining stability, rejecting any strategy that causes unrest. Hence, Wang Anshi's approach was untenable.

State commercial monopolies were effective as short-term solutions, but

they should not aim to stifle private commerce. The advantage of the state-run enterprises should have been their efficient operation rather than exploitative position. However, in ancient China, state commerce often suppressed and exploited private businesses. Many state officials who once came from the private sector became adept at suppressing their former peers after gaining power, seemingly forgetting their roots. While state commerce did provide certain benefits, such as maintaining stability and accumulating wealth for the state, it also negatively impacted private industries and hindered broader economic development.

Section Two Merchants as Officials

Many official merchants, like Kong Jin, Xian Yang, and Sang Hongyang, originally were once private merchants. After they assumed official positions, their focus shifted to managing finances for the state rather than for personal profit. In contrast, some merchants sought official positions or aligned themselves with high-ranking officials to secure greater profits. While these merchants made financial contributions to the state or the emperor, their efforts were just strategic investments designed to yield more substantial returns.

In China, an official's position was more lucrative than commercial ventures. Moreover, merchants who did not maintain strong ties with government officials would find themselves in great difficulties. Therefore, it was essential for merchants to forge alliances with influential figures to protect their interests.

A prime example of a merchant-turned-official is Lü Buwei, a prominent figure during the Warring States period.

According to *Records of the Grand Historian*, Lü Buwei was a prominent merchant from Yangdi. He amassed considerable wealth through trading. At that time, Zichu, the grandson of King Zhao of Qin, was held hostage in

Zhao. Because of the ongoing conflict between Qin and Zhao, Zichu was treated poorly and lived in dire circumstances. Lü Buwei, upon encountering Zichu in Handan during a business trip, saw an opportunity and regarded Zichu as “a rare commodity worth investing in.” The following conversation is quite interesting:

Lü Buwei went to visit Zichu, saying: “I can greatly enhance your position.” Zichu laughed and said, “You should first enhance your position before worrying about mine!” Lü Buwei replied, “You don’t understand. My success depends on your rise.”¹

This witty exchange reveals a truth: a merchant strengthens his power through political alliances.

Strategies of the Warring States recounts another conversation between Lü Buwei and his father, vividly illustrating Lü Buwei’s values. The text goes:

Lü Buwei, a merchant in Handan, met the hostage Zichu and asked his father: “What are the profits of farming?”

His father replied: “Tenfold.”

“And the profits of trading pearls and jade?” asked Lü Buwei.

“One hundredfold,” said his father.

“And the profits of establishing a ruler and securing a state?” asked Lü Buwei.

His father responded: “Beyond measure.”

Lü Buwei concluded: “If farming barely provides warm clothes and adequate food, but establishing a ruler and securing a state brings benefits for generations, I’d rather pursue the latter.”

Lü Buwei helped Zichu in order to bring prosperity to his future generations. The motive for him to get involved in politics was in essence to gain greater commercial returns.

Lü Buwei initiated this investment. Zichu was just one among more than twenty brothers. This imperial grandson seemed far from the throne as he was not favored by his father and was then held hostage in Zhao. However,

¹ “Biography of Lü Buwei”, *Records of the Grand Historian*.

there was an opportunity: the Crown Prince Anguo's favored consort, Lady Huayang, had no children. If Zichu could win her favor, he could be named the legitimate heir. Winning Lady Huayang's favor required money, which Lü Buwei provided, devising a political strategy for Zichu. Lü Buwei proposed, "As you are impoverished and a guest here, you are unable to offer gifts to your relatives or make connections with influential figures. Despite my impoverishment, I will spend a thousand taels of gold to help you. I will go to the west to persuade those in power, so you will serve Crown Prince Anguo and Lady Huayang, and secure your position as the rightful heir." Zichu responded in tears, "If your plan succeeds, I will share half of the Qin state with you." A thousand taels of gold for half of a state—what a profitable investment!

Lü Buwei invested 500 taels of gold to assist Zichu in making connections and hosting guests. With the remaining 500 gold, he purchased rare and valuable items, which he personally delivered to the sister of Lady Huayang, asking her to present them to Lady Huayang. He praised Zichu as a wise and capable man who had won the support of influential figures and was highly respectful of Lady Huayang, often speaking of her with great reverence like "Zichu also regards Lady Huayang as the highest priority. He weeps day and night, longing to see the crown prince and his wife". Lady Huayang was delighted. Lü Buwei then persuaded Lady Huayang's sister to advocate for Zichu, saying:

"I have heard that those who serve others with their beauty lose favor when their looks fade. Now, though the Lady is favored by the Crown Prince, she has no children. It would be wise to forge ties with a virtuous and filial son among the Crown Prince's children and secure him as the heir. By doing so, the Lady will retain her high status while the Crown Prince is alive and ensure that her adopted son becomes king after his death. This would secure her influence for generations. Zichu is wise, but as the middle son, his chances of becoming the heir are slim, and his mother is not favored. If the Lady were to

choose him as the heir now, she would ensure lasting influence in Qin.”¹ These clearly crafted words by Lü Buwei demonstrated the shrewd calculations of a merchant. Lady Huayang, moved by these words, tearfully requested Crown Prince Anguo to name Zichu as the heir. Anguo agreed, formally adopting Zichu as the heir and showering him with gifts while appointing Lü Buwei as his tutor. Lü Buwei’s investment of 1,000 taels of gold yielded significant returns.

Lü Buwei also made another significant investment, ensuring that the future King of Qin was, in fact, of his lineage. According to *Records of the Grand Historian*,

Lü Buwei took a beautiful and talented dancer from Handan as his concubine, who was pregnant with his child. When Zichu was drinking with Lü Buwei at his home, he saw the woman and was captivated. Lü Buwei, despite initial anger, ultimately decided to offer her to Zichu. The woman, concealing her pregnancy, later gave birth to a son, Ying Zheng. Zichu then made her his wife.

This anecdote, though lacking historical proof, underscores Lü Buwei’s gambler’s nature, betting everything on Zichu. To achieve his goals, a merchant like Lü Buwei resorted to any means necessary.

Money also played a very important role helping Zichu and Lü Buwei run away from the state of Zhao. In the 50th year of King Zhao of Qin, Zhao was under the attack of Qin led by Wangqi, so Zhao decided to kill Zichu. Lü Buwei bribed the gatekeepers with 600 taels of gold so they could escape to Qin. Money secured Zichu’s future; without it, both his life and his chances at kingship would have been at risk. Lü Buwei’s calculated investment in Zichu proved quite successful, yielding returns far beyond those from any conventional business venture.

Upon King Zhao of Qin’s death, Crown Prince Anguo ascended the throne, and Zichu was made Crown Prince. When Anguo passed away a year later, Zichu ascended the throne as King Zhuangxiang of Qin. Lü Buwei’s

1 “Biography of Lü Buwei”, *Records of the Grand Historian*.

fortunes soared alongside Zichu's ascent to power.

In the first year of King Zhuangxiang's reign, Lü Buwei was appointed Chancellor and ennobled as Marquis Wenxin, overseeing a hundred thousand households in Luoyang, Henan. The profit from establishing a ruler and securing a state was indeed immeasurable.

After King Zhuangxiang's death, his son Ying Zheng became king. Given that Ying Zheng was likely Lü Buwei's biological son, the young king honored Lü Buwei as Chancellor, addressing him as "Zhongfu" (respected uncle). Lü Buwei's household hosted ten thousand servants and three thousand guests, making him so powerful and wealthy as second only to the king. Lü Buwei's shrewd investments ultimately paid off handsomely.

After Lü Buwei assumed official positions, he made few political accomplishments beyond gathering scholars to compile the renowned *Lü's Annals*, indicating that his only aim was to secure wealth and personal gain. *Records of the Grand Historian* summarizes Lü Buwei's life as: "Once his plan succeeded, he went after wealth and honor," revealing his merchant nature.

Merchants often sought financial gain through political connections, which revealed the lucrative nature of officialdom in China. Even if merchants did not personally assume office, they would build alliances with high-ranking political figures. They made financial contributions to the powerful, including emperors, and in return, received significant rewards. During the Han dynasty, prominent merchants sought to "connect with princes and nobles" to secure political capital and economic benefits. From the Ming and Qing dynasties onward, Huizhou merchants were known for their sycophantic behavior toward the powerful: "Huizhou merchants frequently engaged in private conflicts and sought favor with authorities despite their immense wealth."¹ Currying favor with the powerful was obviously a means of getting protection for their illicit activities. There are numerous such examples among Huizhou merchants.

¹ *Collected Works of Dabishan Studio*, Volume 66, from *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

A notable case involves Wang Tianjun, a timber merchant from Huizhou, who bribed officials to evade taxes. He Fengshan, the Vice Minister of Works, oversaw the construction project of the two imperial palaces in the Ming dynasty. Wang Tianjun and his associates smuggled 100,000 private logs among the 16,000 logs of official purchases, evading taxes on 32,000 logs and costing the state 50,000-60,000 taels of silver. He Fengshan, aware of these corrupt practices, attempted to stop them. However, Wang Tianjun and others, “took advantage of every loophole and relied on the Eastern Depot for internal support and the government for external support,” preemptively accused He. When their first attempt failed, they petitioned again and obtained a special decree for purchasing timber. Consequently, these deceitful merchants became even more arrogant, believing they could extort whatever they desired.

The special decree was issued by the Eastern Depot, a notorious intelligence agency directly affiliated to the imperial court, which He Fengshan found particularly troublesome. Determined to address the issue, He confronted dozens of Huizhou merchants who knelt in his courtyard, warning them sternly: “Do you think you can make things difficult for me? If I fail to control you, you will surely laugh at me. Now that the special decree has been issued, how dare I defy it? However, five conditions must be clarified in the official documents. I am informing you openly, so do not accuse me of acting secretly. First, the timber should not be labelled as imperial wood to evade taxes at checkpoints. As the government bought timber from them at market prices, it was essentially a commercial deal and should therefore be taxed like any other goods. Upon arrival, the timber will be taxed as usual... ”

Upon hearing this, the Huizhou merchants were dismayed, realizing that this policy would prevent them from engaging in illicit activities and profiteering. As a result, they refused to accept the decree and instead turned to the Eastern Depot to file false accusations. The enraged Eastern Depot sought to frame He Fengshan. The collusion between corrupt merchants and the malicious forces within the government severely undermined social

integrity and became a public menace.¹ However, only wealthy merchants had the means to engage with officials. Once the wealthy merchants gained power, they stifled the small businesses. “The wealthy merchants, relying on their connections with powerful individuals, often drove out the lesser merchants,” indicating this imbalance, driven more by external influence than economic merit, impeded real commercial activities.

Merchants sought connections with the nobility both for opportunistic gains and to avoid coercion from officials. Failing to bribe officials often meant risking bankruptcy. For example, in the seventh month of the Gui Mao year during the Wanli reign of the Ming dynasty (1603), wealthy merchant Cheng Sishan arrived in Luoyang with valuable goods, only to have them confiscated by the Prince of Runing.² Similarly, Ming merchants Zhu Chengfu and his son, who traded salt between the Huai and Chu regions, fell victim to exploitation when a eunuch, acting on official orders, targeted them for abuse.³ It was due to Zhu Chengfu’s strong resistance that they eventually escaped from the trouble. Faced with such threats from government officials, merchants frequently went to great lengths to forge connections with them. An anecdote involving a Huizhou merchant named Wu, who married off his daughter, vividly illustrates this:

In the southern city of Zhejiang Province, in Ban Alley, lived a merchant named Wu who had only one daughter of marriageable age but had yet to find a suitable match for her. One mid-autumn night during the Yi You year of the Wanli reign (1585), after a full moon, Wu dreamed of a dragon playing with its claws in the water.

The following day, Xu Yingdeng, a scholar from Yaojiang, who had just finished his exams, passed by Wu’s house with a friend. The friend remarked to Xu, “This family is extremely wealthy and has a

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

daughter seeking a match. They are looking for a distinguished scholar, not for wealth. You are a fine scholar, even if you haven't yet achieved high status. Let me introduce you." The friend went in to speak with Wu.

While Wu agreed in principle, he was not yet fully convinced. The friend suggested inviting Xu to the house. When Xu arrived and was washing his hands in a water jar, Wu saw this and recalled his dream, which seemed to align with the scene before him, filling him with satisfaction. He then asked his friend to proceed with the match. Xu expressed his wish to go back home first and make a formal marriage proposal later, so the merchant provided money for Xu's trip home to arrange the engagement.

When the exam results were announced, Xu placed 21st. Later, in the Xin Chou year (1601), he became a Jinshi (a successful candidate in the highest imperial examinations).¹

This merchant had a strong desire to attach himself to power and prestige. An absurd dream sparked his hopes, and Xu Yingdeng's simple act of washing his hands coincidentally matched the dragon playing with its claws in Wu's dream, leading Wu to accept him as a son-in-law. Seeing the potential in Xu Yingdeng's future, Wu was delighted to accept him, exemplifying the typical eagerness of merchants to forge connections with officials.

Wealthy merchants frequently sought to establish ties with the emperor, securing a powerful protector. With imperial backing, they could flourish, but without it, their fortunes could quickly decline. Here are two examples of wealthy merchants connecting with the emperor.

Zou Fengchi. Zou Fengchi was a wealthy merchant during the Tang dynasty, known for his immense wealth. According to *Records of the Western Capital*:

East to the southern gate of Huaide Alley in the western capital,

1 "Washing Hands and Leaning on the Pine", *Jianhu Collection*, Volume 2, from *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

there was a rich merchant named Zou Fengchi, whose wealth was unparalleled. He was known as Zou Camel due to his hunchback. He amassed immense wealth and countless treasures and was often mingled with high officials. His properties and shops were across the country, and he collected treasure from all corners. He was even richer than Yidun or Baiyao, two of the wealthiest merchants in ancient times. Even his family servants wore fine clothes and used luxurious items, attracting much attention. Once, when marrying off his daughter, he invited numerous officials from the court to attend the ceremony. The guests numbered in the thousands, and the banquet, prepared for the night, was lavishly decorated. As the bride was about to be presented, she was surrounded by maidservants dressed in fine silk, adorned with jewels, hairpins, and elegant shoes. There were several hundred women, all exceptionally beautiful. Their beauty was so striking that the guests were left in awe, unable to distinguish the bride from the maids and servants.

Once, he requested an audience with Emperor Gaozong to purchase trees from Zhongnan Mountain, offering to pay a single bolt of silk for each tree, claiming his silk would outlast the mountain's trees. Although the deal did not go through, it became a widely told tale.

Later, Zou was exiled to Guazhou due to an offense but was pardoned and returned. Upon his death, his descendants were left impoverished.¹

Zou Fengchi's immense wealth was unmatched, yet he felt the need to "frequently seek the company of high-ranking officials" and host lavish events such as his daughter's wedding for them. Without strong government support, such ostentatious displays before Emperor Gaozong might have led to his downfall. The fate of wealthy merchants often was grim, and Zou Fengchi was no exception. By the time of his death, his descendants had already fallen into poverty. While his descendants themselves should have taken most

¹ *Extensive Records of the Taiping Era*, Volume 495.

responsibility for the downfall, Zou's lack of discretion and his attempts to rival the royal family's wealth were significant factors in his ultimate failure.

Shen Wansan. Shen Wansan was a prominent merchant during the Ming dynasty, originating from Huzhou. He served a wealthy trader named Lu in Wu, who once sighed, "I am old. Hoarding wealth without distributing it will only lead to disaster." Consequently, he gave all his possessions to the Shen family and became a Taoist priest. After amassing his wealth, Shen Wansan expanded his fortune through trade with foreign merchants. He played a significant role in providing provisions for the army of Emperor Taizu of the Ming dynasty and financed substantially the construction of the capital city. Despite these contributions, Shen could not escape the emperor's suspicion. Zhu Yuanzhang, the emperor, had wanted to have him executed, but Shen was spared thanks to the intervention of Empress Ma and was instead exiled to Yunnan. This demonstrates that while merchants may strive to build connections with authorities and secure temporary success, they frequently end in tragedy.

The merchants eagerly engaged in politics despite the great risks, as it offered protection for their wealth. Without official protection, merchants would be faced with much trouble. In a society where merchants had low status, no property rights, and were enticed by the immense power of political connections, many merchants aspired to become officials.

Various dynasties had always forbidden the children of merchants from holding official positions. So, how could merchants enter officialdom? Aside from the few merchants who became officials due to their talents and the emperor's trust, most did so through financial diplomacy. They either secretly bribed the emperor or openly donated money to purchase titles. The latter was the primary route for merchants to become officials.

Selling official titles started as early as the Han dynasty, with Sang Hongyang initiating the practice of selling positions for grain. Thus, although rulers throughout the dynasties strictly prohibited merchants from entering officialdom, many were still eager to sell official titles and ranks, engaging

in a business that required no capital. Especially since the Ming and Qing dynasties, this corrupt practice had become a major societal plague. In the first year of the Tongzhi reign, Censor Qiu Dejun submitted a memorial to the throne, stating: “In my humble opinion, the most urgent matter to investigate and prohibit is none other than merchants purchasing official positions. ... I have also heard of groups pooling funds, with one person obtaining the official title, while the others profit together.”¹ An article in *Jiangsu* magazine described this phenomenon:

*No one from Jiangsu held key positions, yet the number of people who donated for a fifth-rank assistant magistrate position or purchased minor posts in the provinces was countless. Those who had not obtained an actual official post would flatter their superiors in hopes of securing one. Those with money and skilled at scheming were certain to succeed. However, there were differences in the quality of the positions. Those without money but still good at flattering would be assigned temporary duties. Those without money and who were also lazy in currying favor were left with nothing. Once they were given a position, they acted like a hungry tiger descending from the mountain, with no bottom to their greed.*²

This trend became a notable feature of political corruption.

Here are some examples of merchants donating money to obtain official titles:

Zhang Qingyong. Zhang was a silk merchant from Wu County, Jiangsu, and served as the first president of the Shengze Chamber of Commerce. In the 16th year of Emperor Guangxu’s reign (1890), he purchased a position as a *jiansheng* (student of the Imperial Academy) and as a *buzhengsi* (provincial administration commissioner) clerk through donations at the fundraising bureau in Jiangsu Province. In the 19th year of Guangxu’s reign (1893), he

1 Ma Min, *Between Officials and Merchants: Modern Gentry and Merchants in the Social Upheaval*, Tianjin People’s Publishing House, 1995.

2 Ma Min, *Between Officials and Merchants: Modern Gentry and Merchants in the Social Upheaval*, Tianjin People’s Publishing House, 1995.

donated more money to obtain a fifth-rank title and a position as a candidate official in the Imperial Ancestral Temple.

Pang Yanzuo. Pang was a moneylender from Gui'an, Zhejiang, who served multiple terms as a director of the Chamber of Business and was the president of the Suzhou Chamber of Commerce in the early Republic of China. In the 27th year of Guangxu (1901), he donated money for the Shunzhi drought relief to obtain the title of Assistant Magistrate and a candidate position in the Department of Provincial Administration.

Huang Hexiong. Huang was a shoe merchant from Shaoxing, Zhejiang, who entered the high society in the first year of Xuanton (1909) by donating money to become a *jiansheng*.

Ji Xiaosong. Ji was a timber merchant from Wu County, Jiangsu, despite his father's admonition to "prefer business over officialdom," he donated money to obtain a candidate title.

Li Qingzhao. Li was a silk merchant and money lender from Kunshan, Jiangsu, who donated money to become a *jiansheng* in the 4th year of Guangxu (1878), and later donated more to obtain higher titles and honorary ranks.¹

Merchants were enthusiastic about donating for official titles for various reasons. Primarily, they sought the social status and privileges of the gentry for profits; secondly, they hoped the government officials with whom they associated could offer protection for their business activities.² More importantly, they tried to achieve the ideal of "a life of both wealth and honor". Traditionally, merchants held a low social status despite their wealth, therefore, it was obvious that wealth and nobility were two different concepts.

In the Tang dynasty, the wealthy merchant Wang Yuanbao was closely associated with Emperor Xuanzong. One day, while standing in the Hanyuan Hall, Xuanzong spotted a white dragon stretched across the southern mountains. When he asked his attendants if they saw it, they replied that they

1 Ma Min, *Between Officials and Merchants: Modern Gentry and Merchants in the Social Upheaval*, Tianjin People's Publishing House, 1995.

2 Ma Min, *Between Officials and Merchants: Modern Gentry and Merchants in the Social Upheaval*, Tianjin People's Publishing House, 1995.

saw nothing. Xuanzong then summoned Wang Yuanbao and asked if he could see anything on the mountain. Yuanbao responded that he saw a white object lying on the peak but couldn't make out its exact form. The courtiers were astonished. Xuanzong remarked, "It is said that those with great wealth possess power similar to nobility. As I represent the highest nobility and Yuanbao represents the greatest wealth, we share this vision."¹ This acknowledgment implied that immense wealth could confer a status akin to nobility. However, without his close relationship with Xuanzong, Wang Yuanbao would never have reached such heights. Thus, merchants seeking to elevate their status often had to cultivate strong ties with officials, leading to the widespread practice of purchasing official positions.

Not all merchants who bought their way into officialdom engaged in corruption. Many "red-topped merchants" (aka official merchants) made significant contributions to the country. A notable example is Hu Guangyong (also known as Hu Xueyan), a prominent merchant from Hangzhou of the late Qing dynasty. He bought the title of Daoyuan and donated generously for disaster relief across provinces such as Shaanxi, Gansu, Shanxi, Henan, Shandong, Jiangsu, and Zhejiang. Hu also played a key role in securing arms for General Zuo Zongtang during his western expedition and was honored with a yellow riding jacket after the successful reconquest of Xinjiang. Despite later going bankrupt due to public and private debts, Hu Xueyan's contributions to the nation were significant.

Following the Opium War of 1840, imperialist powers intensified their economic aggression towards China. By the late 19th and early 20th centuries, foreign merchants flocked to China, hence the rise of a new class of merchants known as compradors. Acting as intermediaries in Sino-foreign economic interactions, compradors made significant contributions despite their many questionable practices.

Compradors amassed considerable wealth, receiving both salaries from foreign firms and hefty commissions tied to their performance. These

¹ "Records of Unusual Events", *Extensive Records of the Taiping Era*, Volume 495.

commissions came not only from foreign firms but also from Chinese merchants, from whom they often extracted even more. For example, compradors in Shanghai routinely demanded “drawing fees” when purchasing silk products, requiring silk shops to provide samples from each bale for inspection—sometimes even taking double the usual amount for their benefit. Many compradors were also known to “eat the weight,” shortchanging merchants by taking advantage of the transaction.¹ While their role was lucrative, compradors often earned a poor reputation due to such exploitative practices.

Like other merchants, compradors sought wealth and status by associating with officials and buying official positions. In the early 20th century, at least fifteen out of forty well-known compradors in Shanghai donated to obtain the title of acting *daotai* (circuit intendant, a kind of provincial official). With official titles, they found it easier to conduct business. However, not all compradors were lackeys to foreign interests; many eventually left their comprador roles and became prominent national industrialists.

Here are some notable merchants who transitioned from compradors to officials.

Tang Tingshu: A Guangdong native and the chief comprador of Jardine Matheson & Co. in Shanghai. Tang donated to obtain the title of acting prefect and later rose to the rank of *daotai*. Over ten years, Tang accumulated tens of thousands in wealth. On a return trip from Shanghai to Hong Kong, he was aboard a foreign ship. The owner of the ship gave each passenger less than a pound of water, which was all for both washing and drinking. If the water ran out, people would go thirsty, but the one hundred or so sheep on board were provided with barrels of water to drink. This injustice enraged Tang Tingshu and inspired him to develop national industries. Upon returning to Hong Kong, Tang Tingshu quickly raised ten thousand yuan in capital, renting two ships to operate between Hong Kong and Shanghai, determined

1 *Foreign Merchants and Compradors in Old Shanghai*, Shanghai People's Publishing House, 1987.

to uplift Chinese dignity. In 1873, Tang Tingshu joined the China Merchants Steam Navigation Company, bidding farewell to his comprador career and embarking on the path of a national industrialist. Under Tang's leadership, the China Merchants Steam Navigation Company grew stronger. The American Pacific Mail Steamship Company tried to undercut them with lower prices but ended up going bankrupt and selling their company to China Merchants. The British Swire Shipping Company also lost in the price war and eventually reached a compromise with the China Merchants. The China Merchants Steam Navigation Company reclaimed shipping rights from foreign hands despite great pressure.

With backing from Li Hongzhang, Tang Tingshu founded the Kaiping Mining Bureau, which quickly thrived under commercial management. At the time, the Chinese coal market was dominated by British, Australian, and Japanese companies. However, following the establishment of the Kaiping coal mine, foreign coal was gradually replaced by domestic production.

Xu Run: A fellow native of Guangdong and an early comprador like Tang, Xu Run joined the foreign firm Pao Shun in Shanghai, one of the major British-owned businesses. In the eleventh year of the Xianfeng reign (1861), he became a deputy comprador. Xu Run amassed considerable wealth in the company business, and later he opened banks and trading houses in partnership, specializing in products such as silk, tea, tobacco, wax, hemp, and tung oil. His success made him a leader among Chinese businessmen. Xu Run also bought official titles, starting as a *jiansheng* and later getting the position of Guanglu Temple secretary. He then contributed funds to become a senior clerk in the Jiangnan Grain Bureau, earning the Flower Plume rank. He even got a fourth-rank official title at the recommendation of Li Hongzhang and bought the position of *daotai*. Due to his diligent work in managing the grain transport between Jiangxi and Hubei, Li Hongzhang again recommended him for a second-rank official title, making him another "Red-Topped Merchant." Xu Run's notable achievements were particularly evident in his role at the China Merchants Steam Navigation Company, where he served

as deputy to Tang Tingshu. Together, they significantly advanced China's shipping industry. However, compared to Tang Tingshu, Xu Run lacked the entrepreneurial talent and ambition to develop the national industry. He was eventually dismissed for misappropriating company funds. Although he later returned to the company, he never achieved significant success again. Xu Run also ventured into mining but largely without success.

The China Merchants Steam Navigation Company (CMSNC) run by Tang Tingshu and Xu Run exemplifies the concept of "government supervision and merchant management". Its success hinged on both government support and its adoption of the business principles. Faced with a intense price war from foreign companies like Russell & Co. and the Swire Group's Taikoo, CMSNC relied on government protection for its survival. Yet, if the government hadn't allowed Tang and Xu to operate freely according to business norms, even greater support wouldn't have helped the company. This collaboration between officials and merchants marked a significant chapter in the history of Chinese commerce. In the context of foreign economic infiltration during the late Qing dynasty, the support of the government was crucial for the fledgling national industries to compete with foreign capital. Thus, the "government supervision and merchant management" model was an inevitable choice during that period. Without government oversight, merchants would not have had the necessary support; without merchants, the state would have lacked both managerial talent and capital. This approach was crucial in China's modernization process. Li Hongzhang, a key advocate for this model, played an essential role. He not only promoted the concept but also actively supported and protected merchants, serving as a mediator between the government and the commercial sector. This rationalization of official-merchant relations holds significant importance in China's social development history.

The late Qing dynasty saw the emergence of several prominent "red-topped merchants", such as Zheng Guanying, Sheng Xuanhuai, Zhou Xuexi, and Zhang Jian. These individuals were not merely seeking personal

gain through their official connections. Instead, they played pivotal roles in advocating for commercial warfare and pioneering industrial ventures, significantly contributing to the development of modern industry and commerce in China.

The red-topped merchants of the late Qing dynasty differed markedly from their traditional predecessors. They were not solely driven by personal profit. Although they had got rid of the traditional subordinate status, these merchants faced even greater pressure from foreign capital. Their acquisition of official titles was a strategic move to gain the power needed to combat foreign competition, reflecting a strong sense of patriotism. In this regard, patriotic merchants were the backbone of the nation.

Section Three **Bureaucratic Commerce**

Officials, unsatisfied with their official earnings, often turned to commerce to increase their wealth. This practice of bureaucrats engaging in commercial activities for personal gain was quite common throughout Chinese history. However, this practice had always been opposed because officials, due to their privileged positions, could easily exploit their power for personal profit, effectively draining the resources of the common people and causing significant harm to society. Hence, the practice of officials engaging in business was consistently met with strong opposition.

In his book *Ju Xianliang Duice*, Dong Zhongshu condemned such conduct, stating: "In ancient times, those who received official salaries did not engage in manual labor or commerce. They were entrusted with great responsibilities and should not go after petty profits. When those in high positions seek additional wealth, neither Heaven nor man can satisfy their greed!... Occupying high offices and receiving substantial salaries, these officials used their wealth and power to compete with common people for profits. How could the common people possibly stand a chance

against them?”¹ During the Han dynasty, the abuse of official positions for commercial gain gave rise to a wealthy bureaucratic class, leaving the general populace in poverty. This fueled growing demands to prohibit officials from engaging in commerce. Gong Yu proposed that “officials, from the central government down to local magistrates, should be banned from private trading to prevent competition with the people. Violators should be dismissed and barred from future office.”² While only a suggestion, this proposal underscored the widespread problem of bureaucratic commerce. Unlike merchants who sought official protection, bureaucratic commerce was motivated solely by personal gain, leading to corruption and societal harm.

Historically, there were legal measures to restrict bureaucrats from engaging in commerce. For example, during the reign of Emperor Jing of Han, strict prohibitions were in place against officials speculating for profit. One edict declared: “Officials and those in office should not profit from their duties or the areas under their supervision. If they engage in buying low and selling high, they will be treated as thieves, and their ill-gotten wealth will be confiscated by the state.”³ This decree was designed to severely curb speculative activities by officials. Later, Emperor Jing issued another decree: “Gold and jade cannot be eaten to satisfy hunger or worn to keep warm, yet they are used as currency without truly displaying their value and purpose... If officials force the people to labor in extracting gold and jade, they will be deemed thieves, and any high-ranking official who allows such actions will face the same punishment.”⁴ These regulations were instrumental in curbing bureaucratic corruption.

While Emperor Jing did not entirely prohibit officials from engaging in commerce, he was very strict about punishing illegal commercial activities by officials. For instance, Liu Yin, Marquis of Pang Guang, was stripped of his title for lending money and collecting interest above the legal limit.

1 “Biography of Dong Zhongshu”, *Book of Han*.

2 “Biography of Gong Yu”, *Book of Han*.

3 “Annals of Emperor Jing”, *Book of Han*.

4 “Annals of Emperor Jing”, *Book of Han*.

Although most dynasties had regulations prohibiting officials from engaging in commerce, these laws were rarely enforced effectively. Consequently, bureaucratic involvement in commerce remained a persistent and difficult issue to eliminate. Here are some examples of bureaucrats engaging in commerce.

Zhang Anshi. The biography of Zhang Tang from *Book of Han* has the following description of Zhang Anshi: “Anshi held the esteemed title of Duke Marquis and governed over ten thousand households. Yet, he wore simple clothing, and his wife wove fabrics. The seven hundred household servants were skilled in various crafts and were engaged in labor. Through careful management and accumulation, Anshi was able to amass wealth greater than that of the Grand General Guang.” This passage suggests that Zhang Anshi accumulated wealth through his own efforts. However, managing private enterprises was inconsistent with his noble status. Unless he resigned from his official duties, this conduct remained inappropriate.

Huo Yu. Son of Huo Guang, Huo Yu engaged in butchery and brewing. After Huo Guang’s death, Zhao Guanghan raided Huo Yu’s premises, smashing his equipment,¹ reflecting Zhao’s disdain for Huo’s commercial ventures.

Zhang Yu. During Emperor Cheng’s reign, Chancellor Zhang Yu was granted the title of Marquis of Ancheng. “Yu was known for his prudent nature. He accumulated wealth through trade, and his family was primarily engaged in agriculture. As he grew wealthy, he bought top-quality farmland up to four hundred *qing* (approximately 2,667 hectares), all irrigated by the Jing and Wei rivers. His other assets were similarly valuable. Yu had a penchant for music, indulging in luxury and extravagance, living in a grand mansion with a back hall filled with musical instruments.”² Zhang Yu was a bureaucrat, a landlord and a merchant, making him akin to a vampire sucking the lifeblood of the people.

1 “Biography of Zhao Guanghan”, *Book of Han*.

2 “Biography of Zhang Yu”, *Book of Han*.

Liu Kang. Liu Kang was granted Marquis of Jinan during the Later Han dynasty. The *Book of the Later Han* states that he “amassed great wealth, built many residences, owned 1,400 slaves, 1,200 horses, and 800 *qing* (approximately 5,334 hectares) of private land. He indulged in luxury and excess without restraint.” Bureaucrats who became wealthy often did so by exploiting their power in commercial ventures. Once they accumulated significant wealth, they frequently succumbed to extravagance and corruption, leading to societal decadence.

Since the Han dynasty, it has been common for bureaucrats to engage in commerce. While the ruling class publicly suppressed ordinary merchants, their real intention was to maintain commercial privileges for themselves by exploiting their official positions. This left powerless ordinary merchants as the true targets of their suppression.

During the Eastern Jin and Southern Dynasties, the involvement of bureaucrats in commerce reached unprecedented levels. From the emperor and high officials to local governors, military personnel, and minor officials, virtually every one of the ruling classes was involved in commerce. It was quite common during the Song and Qi dynasties for emperors to personally engage in commercial activities. For example, the young Emperor of the Song dynasty set up a market in the Huayin Garden, where he traded like a merchant.¹ If that could be seen as a form of entertainment, the story of Emperor Gao of the Qi dynasty was a genuine profit-making venture. Emperor Gao sold various items and clothing, earning millions to build the Jishan Temple. Similarly, Emperor Yulin of the Qi dynasty admired the wealth of merchants so much that he indulged in large-scale trading, even lamenting that being a wealthy merchant at the market was much better than being an emperor.²

When the emperor led by example, others followed suit. The first to mimic these behaviors were the emperor’s relatives and the nobles. Historical records indicate that during Emperor Xiaowu of Song’s reign, his sons “all set

1 “Annals of the Emperor Shao”, *Book of Song*.

2 “Annals of King Yulin”, *Book of Southern Qi*.

up shops to profit from a tenth of the business”¹, and during Emperor Ming of Song’s time, “many princes and princesses established their businesses.”² The situation was even more severe in the Qi dynasty, prompting Emperor Gao of Qi to issue a decree prohibiting the imperial family members from engaging in commercial activities, although this decree was largely ignored.³ During the Liang dynasty, this trend further developed. Prince Xiao Hong of Linchuan set up dozens of businesses in the capital, selling more than ten types of goods.⁴

Local officials and military commanders also viewed their positions as opportunities for profits, sparing no effort in commercial ventures. In the Eastern Jin dynasty, Liu Yin, as governor of Jiangzhou, used transport ships on the Yangtze River “to amass wealth, engaging in trade worth millions.”⁵ General Wu Xi of the Song dynasty, sent to quell a rebellion in Jingzhou, stayed on after the rebellion was suppressed, “using public resources for personal gain, pursuing profits in countless ways.” His subordinates also profited, as it was said, “From Wu Xi down to the minor officers, everyone was heavily laden with wealth.”⁶ In the Southern Qi dynasty, Liu Shilong, the governor of Xiangzhou, “established shops in the province.”⁷ Similarly, Liang dynasty official Cao Jingzhong, as governor of Yingzhou, “sold goods and amassed wealth.”⁸ Even the families of officials used their influence to engage in commercial activities for profits. For example, Tao Kui, the governor of Guangzhou during the Eastern Jin dynasty, made profits through high-interest loans, while his “brothers, nephews, and nieces all disregarded their reputations and focused on business.”⁹

The prevalence of officials engaging in commerce was so widespread that it became unusual to find an official who did not. For instance, Liu

1 “Biography of Shen Huaiwen”, *History of the Southern Dynasties*.

2 “Biography of Cai Kuo”, *History of the Southern Dynasties*.

3 “Annals of Emperor Gao”, *Book of Southern Qi*.

4 “Biography of Prince Hong of Linchuan”, *History of the Southern Dynasties*.

5 “Biography of Liu Yin”, *History of the Jin Dynasty*.

6 “Biography of Wu Xi”, *Book of Song*.

7 “Biography of Liu Shilong”, *Book of Southern Qi*.

8 “Biography of Cao Jingzong”, *Book of Liang*.

9 “Biography of Diao Kui”, *Book of Jin*.

Song dynasty governor Xiang Jing of Beiqingzhou, who “had no orchards or commercial ventures,” was considered noteworthy enough to be recorded by historians as a commendable rarity.¹

During the Eastern Jin dynasty and Southern dynasties, bureaucrats and nobles engaged in commerce through various means. Their commercial activities can be summarized as follows:

1. Establishing Shops and Usury

Shops: These establishments functioned both as warehouses and retail outlets. Some bureaucrats set up shops along major transportation routes and in commercial hubs, selling surplus products from their estates and engaging in speculative hoarding. For instance, Xiao Hong, Prince of Linchuan during the Liang dynasty, stored textiles, lacquer, honey, wax, cinnabar, and other items in his shops.² Similarly, another royal member, Xiao Zhengde, Prince of Linhe, amassed a significant amount of grain, using fifty rooms in his residence as warehouses.³

Usury: Bureaucrats often lent money at high interest rates. The royalty and nobles of the Liu Song dynasty had numerous shops in the Kuaiji region, engaging in usury to make money.⁴ Xiao Hong also engaged in usury business, “using land and shop deeds as collateral to issue loans, eventually seizing properties when borrowers defaulted.”⁵ The wealthy Gu Chuo from the Liu Song dynasty engaged in extensive usury, leading “many local gentry and commoners to fall into debt.”⁶

2. Salt and Iron Industry

Throughout most of history, the salt and iron industries were state monopolies. However, during the Eastern Jin dynasty and Southern dynasties, aristocratic landlords seized state-owned salt ponds and mines, using them for their private gain. Bureaucrats involved in the salt and iron industries

1 “Biography of Xiang Jing”, *Book of Song*.

2 “Biography of King Hong of Linchuan of Liang”, *History of the Southern Dynasties*.

3 “Biography of King Zhengde of Linhe of Liang”, *History of the Southern Dynasties*.

4 “Biography of Caiguo”, *History of the Southern Dynasties*.

5 “Biography of King Hong of Linchuan of Liang”, *History of the Southern Dynasties*.

6 “Biographies of Gu Kaizhi and Zixian”, *History of the Southern Dynasties*.

exploited their positions to monopolize these resources. For example, Liu Daoji, the governor of Yizhou during the Liu Song dynasty, “monopolized the iron industry and sold iron tools at high prices as soon as he assumed office.”¹ Similarly, the former governor of Qingzhou in the Southern Qi dynasty “benefited greatly from the salt and fish trade.”²

3. Long-Distance Trade

During the Eastern Jin and Southern dynasties, economic development was uneven across regions. Most parts of the South were still in the early stages of development. In contrast, Yizhou in the upper reaches of the Yangtze River was developed earlier and was famous for such products as Shu brocade, Sichuan horses, well salt, and rock salt. Bureaucrats in this area often engaged in trading these goods across different regions for profit. For instance, Liu Daoji, the governor of Yizhou during the Song dynasty, and Xiao Ji, the Prince of Wuling during the Liang dynasty, were involved in such trade. Xiao Ji extended his trade connections to Ziling and Tuguhun. The middle reaches of the Yangtze River were also rich in resources, hence regarded as the “prosperous region.” During the Liu Song dynasty, Kong Kai, while serving as governor of Yingzhou, had two brothers involved in extensive commercial activities. When they returned east, they traveled with “more than ten ships loaded with silk, paper, and mats.” After Kong Kai was relieved of his post and returned to the capital, a rice shortage occurred. His successor sent him 500 bushels of rice to sell for a profit.

4. Overseas Trade and Border Smuggling

During the Eastern Jin Dynasty and Southern dynasties, China’s overseas trade experienced some growth. It was stated in historical records that “the southern lands are fertile, and those in office often become immensely wealthy. The governor of Guangzhou is said to make thirty million (units of money) just passing through the city gate.”³ In the Qi and Liang dynasties, the Nanhai

1 “Biographies of Liu Cui and Liu Daoji”, *Book of Song*.

2 “Biography of Wang Hongfan”, *History of Qi of the Southern Dynasties*.

3 “Biography of Wang Kun”, *History of the Southern Dynasties*.

prefecture “frequently has slaves and sea vessels passing by, with foreign merchants engaging in trade. The local authorities purchase these goods at half price and sell them immediately, reaping several times the profit.”¹ The immense profit was obtained so easily that the position of Guangzhou governor became a highly coveted post. During the Liu Song dynasty, Liu Daoji, a lesser treasurer, obtained the position of Governor of Guangzhou by bribing Yu Zhongwen, the Minister of Personnel. After taking office, he had to offer generous gifts in return. Those unable to secure such positions would also travel long distances to these regions for commerce despite the dangers, for example, Sima Yi and Sima Qi, descendants of Prince Yi of Yiyang of the Jin dynasty, “sent their agents to trade in Jiaozhou and Guangzhou.”²

Bureaucrats engaging in commerce used their official powers to illegally dominate lucrative industries, often monopolizing the most profitable sectors and oppressing common merchants. This severely hindered the development of average merchants. Additionally, bureaucrats’ involvement in trade gave rise to serious corruption. They exploited their positions for personal gain, damaging public interests. For instance, Liu Yin of the Eastern Jin used Jiangzhou’s transport ships for private trade along the Yangtze River, causing the government a central financial crisis as public funds were diverted for personal use.

The bureaucrats’ strong desire for profit led them into corrupt practices and neglect of official duties, which undermined governance and destabilized the feudal system.

During the Sui dynasty, officials often leveraged their power for commercial gain. According to the *Treatise on Food and Commodities* in *Book of Sui*:

Whenever labor and taxes are urgently required, local officials first buy goods at low prices and then sell them at high prices after issuing orders, causing prices to multiply overnight. Their harsh exactions bring

1 “Biography of Wang Zengru”, *Book of Liang*.

2 “Biography of Wang Yi of Yiyang”, *Book of Jin*.

temporary relief but at great public expense.

An example of this was during an urgent collection of feathers, where officials hastily ordered the capture of birds, exhausting the people's efforts. Unable to meet the demand, they resorted to "purchasing from wealthy households, causing prices to skyrocket."¹

In the Tang dynasty, bureaucrats engaging in commerce became a prevalent phenomenon despite regulations prohibiting such activities. *The Tang Code* explicitly stated that government officials should not profit at the expense of the common people. "If an official or their family engage in commerce, the official will be dismissed. They can return to office if they are reformed within three years; otherwise, they will be permanently barred from officialdom and treated as commoners."² During Emperor Xuanzong's reign, a decree was issued to forbid scholars and officials from engaging in commercial activities:

*Some officials lack integrity and are solely focused on profiteering through commerce. This must be reformed to maintain the integrity of the bureaucracy.*³

Similarly, during Emperor Wuzong's reign, another decree was issued to prohibit officials from engaging in commercial activities:

It has come to my attention that some officials and nobles, or those from illustrious families, engage in private lending and commercial ventures. From now on, such activities are strictly prohibited.

Despite these regulations, officials continued to engage in commerce, forming a pervasive and enduring trend. By the end of the Tang dynasty and the beginning of the Song dynasty, bureaucratic and noble involvement in commerce had become less restricted. For instance, in the fourth year of Emperor Muzong's reign, a decree was issued allowing officials and military personnel to engage in commerce:

1 "Treatise on Food and Commodities", *Book of Sui*.

2 *The Tang Code*, Volume 3; *The Tang Code with Commentaries*, Volume 25.

3 *Quan Tang Wen (The Complete Tang Poetry)*, Volume 31.

*Officials and military personnel in various regions, including towns and villages, now pay taxes just like ordinary citizens, without any special exemptions or reductions.*¹

From then on, operating businesses were no longer prohibited by regulations, so bureaucrats engaged in commerce even more eagerly. For example, during the Five Dynasties period, Zhao Zai-li “held official positions in several places and was adept at running businesses, amassing a great fortune. He owned properties and shops in both capitals as well as in the prefectures under his administration.”² Li Yanzhen, after his transfer to Shou-Chun, “profited from all kinds of industries and commercial activities.”³ Early in the Song dynasty, another official Zhao “ran stores, depriving civilians of their benefits.”

Bureaucrats often resorted to unscrupulous methods in their commercial activities. Besides setting up stores, they operated pawnshops, engaged in high-interest loans, conducted long-distance trade, and even trafficked slaves.

In some cases, bureaucrats did not personally engage in commerce but allowed their family members to do so, which also fell under the category of bureaucratic commerce. We have two examples to illustrate this:

Wang Chucun. Wang came from a wealthy family in Shengye Li, Wannian County, located in the capital city of Chang’an during the Tang dynasty. The family accumulated immense wealth as Chucun’s father Wang Zong was the military governor of Xingyuan. Wang Chucun inherited his father’s business acumen and leveraged his father’s influence to further their commercial ventures.⁴

Princess Zhenghe. Princess Zhenghe was a daughter of Emperor Suzong. She also “engaged in commercial activities and was known for the exceptional profits”⁵ according to historical records. It is unclear whether these profits

1 “Essentials of the Tang Dynasty”, *The Armies of the Capital*, Volume 27.

2 “Biography of Zhao Zaili”, *Old History of the Five Dynasties*, Volume 90.

3 Wen Ying, *Talks Over the Jade Pot*, Volume 10.

4 “Biography of Wang Chucun”, *Old History of Tang Dynasty*.

5 *New History of the Tang Dynasty*, Volume 83.

resulted from her business skills or her influential status.

Such commercial activities conducted by bureaucrats' families should also be prohibited, as they create unfair competition and give officials opportunities for corruption and abuse of power.

Bureaucrats, driven by insatiable greed, often became wealthy through commerce, turning into exploiters of the populace. These officials frequently engaged in deceit and flattery, embodying the worst traits of both politicians and merchants. Leveraging their positions, they seized public wealth under the guise of commerce, effectively becoming economic predators. Here are two notable examples:

Shi Chong. Shi was a son of Shi Bao, who was a prominent official during the Jin dynasty. Shi Bao had engaged in iron trading before ascending to high office and had great confidence in Shi Chong's future commercial prowess. After Shi Bao's death, Emperor Wu of Jin, held Shi Chong in high regard out of respect for the son of a meritorious official. Shi Chong, in return, excelled in sycophancy and flattery. *Book of Jin* recounts that "whenever the emperor appeared, Shi Chong would get off his carriage and bow deferentially, even groveling in the dust." Such shameless flattery earned him the emperor's favor, enabling him to amass wealth without restraint. As Governor of Jingzhou, Shi Chong "exploited foreign merchants and traders, accumulating immense wealth."¹ Despite his blatant misconduct, he continued to rise in rank. The household of Shi Chong was marked by "vast wealth and luxurious living. His residence boasted grand buildings and numerous rooms. In the inner chambers, numerous beautiful women, draped in luxurious silk and adorned with gold and silver jewelry, played the finest musical instruments of the time, while feasting on a rich array of delicacies from both land and sea,"² which demonstrated his extravagant lifestyle. Shi Chong once had an infamous rivalry of wealth with Wang Kai, another wealthy man at that time. Wang Kai used a silver cauldron, so Shi Chong used wax as fuel. Wang Kai

1 "Biography of Shi Bao & Biography of Shi Chong", *Book of Jin*.

2 "Biography of Shi Bao & Biography of Shi Chong", *Book of Jin*.

built a 20-km-long purple silk screen, which Shi Chong surpassed with a 25-km-long brocade screen. Shi Chong covered his house with peppercorns, while Wang Kai used red clay. One particularly infamous episode involved Shi Chong smashing Wang Kai's three-foot coral tree, all to flaunt his own collection of six or seven more exquisite coral trees. This tale became well-known and was frequently referenced as an example of the corruption and extravagance of the Western Jin aristocracy.

Shi Chong's immense wealth far exceeded his official salary, mostly amassed through exploitative commercial practices and embezzlement, making him a notorious figure in history. Shi Chong's downfall came when a conflict with Sun Xiu and others led to his execution. Initially thinking he was headed for exile; he only realized his true fate upon reaching the execution ground. Lamenting, "They seek my family's wealth," his captors responded, "If you knew wealth could bring harm, why didn't you give it away sooner?" Left speechless, Shi Chong's greed and immense fortune ultimately sealed his fate, resulting in his execution and the destruction of his family, serving as a stark reminder of the grim fate that often awaits corrupt officials.

He Shen, the infamous corrupt official during the Qianlong reign of the Qing dynasty, amassed immense wealth through both embezzlement and commercial activities. Emperor Jiaqing's indictment of He Shen outlined twenty major crimes, among them "the operation of pawnshops and moneylending businesses in Tongzhou and Jizhou amounting to hundreds of thousands, where he competed with ordinary citizens for profit."¹ Through a mix of embezzlement and predatory business practices, He Shen amassed a fortune greater than the state treasury. Let's examine some of his assets: when his estate was confiscated, it was discovered that he owned nanmu wood buildings modeled after the Ningshou Palace, the imperial palace, with gardens styled just like the Pengdao and Yaotai pavilions of the Yuanmingyuan (the old Summer Palace). His mausoleum in Jizhou featured a sacrificial hall and passageways, and locals referred to it as the "He Tomb." Among his

1 "Biography of Heshen", *Draft History of Qing*.

treasures were over 300 beaded bracelets, far exceeding those of the imperial palace, with pearls larger than the ones on the emperor's crown. He also had dozens of large, uncut gemstones and countless smaller ones, surpassing the imperial collection. His wardrobe contained clothing trimmed with silver worth tens of millions. Hidden within his walls were over 26,000 taels of gold, his private vaults held more than 6,000 taels in gold and silver, and his underground cellars were filled with over 3 million taels of silver. Even his servant, Liu Quan, possessed assets worth over 200,000 taels, including a bracelet with large pearls.¹ These staggering figures reveal the immense greed of this corrupt official!

It was evident that such a corrupt official had to face execution. However, what's worth reflecting on is the inherent link between bureaucrats engaging in commerce and the onset of corruption. In fact, the mere act of officials participating in business was already a signal of moral decay. Without curbing this practice, social justice could not be preserved, and political corruption would inevitably flourish.

The fortunes amassed by bureaucrats through business ventures were always unsustainable, as they were invariably tied to illegal activities, ultimately leading to their downfall. Even high-ranking officials like Shi Chong and He Shen, despite enjoying imperial favor, could not escape their eventual demise. Driven by short-term greed, these corrupt figures not only harmed themselves but also caused lasting damage to society, ensuring their ruin.

Take He Shen as an example: once powerful and surrounded by concubines, he witnessed them flee with his treasures when he fell from power. A tale about a man named Wu who married one of He Shen's former concubines serves as a reminder that no amount of wealth can secure genuine affection. The tale goes as follows:

A man from Xiuning, surnamed Wu, was a cloth merchant in the capital who had accumulated a modest fortune. Planning to return to his hometown to marry, he rented a mule cart and set off through

¹ "Biography of Heshen", *Draft History of Qing*.

Zhangyi Gate, staying overnight at an inn. There, he encountered a young man who appeared distressed. Wu, answering truthfully when asked about his journey, shared his plans. Later that night, the young man approached Wu's bed and revealed, "I am a woman, formerly a concubine of He Shen. After his execution, I fled with numerous jewels and treasures. I wish to spend my life with you." She then presented two bags of valuables. Elated, Wu agreed, and they returned home together.... Since then, Wu has become immensely wealthy.¹

Even the concubine possessed enough wealth to make someone instantly rich, and not all of He Shen's ill-gotten gains were confiscated by the authorities. There were even claims that He Shen had hidden assets that were never found. However, despite such hidden wealth, his death rendered it useless. The disgraceful fates of Shi Chong and He Shen served as stark warnings to corrupt officials.

Bureaucrats engaging in commerce often breed corruption, undermining political integrity and fostering dishonesty. Examining the relationship between officials and merchants reveals its profound impact on the fate of both merchants and the nation. While state-run commerce is crucial, monopolies stifle commercial growth. Merchants' strong desire to become officials or to gain favor with them highlights the corruption in both business and politics. When bureaucrats enter the business world, it rarely benefits anyone.

The traditional relationship between officials and merchants in China has generally been dysfunctional and tense. This dysfunction arises not only from the policy of prioritizing agriculture over commerce but also from political corruption. To establish a healthy relationship between officials and merchants, it is essential to first cleanse the political system and create a fair and honest governance structure.

1 Volume on Marriage, *Anthology of Petty Matters in Qing*.

Chapter Three Scholar-Merchants

Section One From Scholars to Merchants

In the traditional society where the four classes had distinct roles, “scholars” and “merchants” were typically at opposite ends of the spectrum. Since the Qin and Han dynasties, Confucian scholars, who aspired to the ideal of “having both a sage’s virtue and a ruler’s wisdom,” looked down on merchants who “adorned their wits and sought profits.” The idea of abandoning their studies and turning into merchants was unthinkable to scholars. However, from the Song and Yuan dynasties onwards, economic pressures forced scholars to abandon their lofty ideals and turn to commerce. Historical records from this period frequently mention scholars becoming merchants. At the same time, there were numerous examples of “merchants who embrace Confucianism,” “merchants who uphold Confucian virtues,” “scholar-merchants,” and “merchants with a love of learning.” The traditional distinction between Confucian scholars and merchants began to blur.

From the mid-Ming dynasty onwards, traditional agricultural society in China began to undergo significant transformations, marked by unprecedented commercial prosperity. The expansion of trade routes and the increased commercialization and circulation of agricultural products such as grain, cotton, silk, and silk goods led to the rise of numerous commercial cities. In these thriving urban centers, a new bourgeois class began to form. The

emergence of this class disrupted the rigid social hierarchy of the “four classes” and brought about a decline in the dominant neo-Confucian orthodoxy of Cheng-Zhu philosophy. In its place, a new wave of enlightenment thought emerged, challenging traditional Confucian values and advocating for personal profit and private enterprise, epitomized by the “new four classes” theory.

“Zhi Sheng,” or managing livelihood, became a topic of widespread concern among the scholar-official class during the Ming dynasty. Qing scholar Shen Yao, in his *Preface to the Seventieth Double Birthday of Mr. Fei Xishan*, observed:

Since Emperor Taizu of the Song dynasty centralized all profits under government control, scholars and officials had to engage in agriculture and sericulture to sustain their families, diverging from ancient practices. Those in office competed with commoners for profit, while those not yet in office needed to engage in farming and sericulture to support their studies and pursue official careers. Consequently, commerce became increasingly important and the influence of merchants grew. Without the enterprises established by their fathers and brothers, young men could not afford to study and achieve success. Thus, the clear distinction between the four classes blurred, and the children of merchants could become scholars.¹

In his *Correspondence with Xu Haiqiao*, Shen Yao repeatedly discussed the issue of scholars managing their livelihood. He stated:

Song dynasty scholars did not speak of profit, yet Xu Luzhai spoke of managing livelihood. This is because it was unnecessary to discuss livelihood in the Song dynasty, but it became essential in the Yuan dynasty. The principles are the same despite different contexts. Managing livelihood means ensuring everyone is provided for, not exploiting others for personal gain. In ancient times, one could study without much expense, but today, studying is costly and cannot be sustained without

1 *Collected Works of Luofanlong*, Volume 24.

*managing one's livelihood.*¹

Being a scholar costs money, so one must manage his livelihood (Zhisheng). The purpose of “Zhisheng” is to preserve the dignity and integrity of a scholar. Tang Zhen (1630-1704), the author of *Qianfu*, wrote in the chapter *Yangzhong*:

*Unless one holds office and receives a salary or is supported by the respect and aid of high-ranking officials, one must engage in farming or commerce to obtain wealth. To seek wealth in any other way is to become petty. People may think it degrading for a scholar to engage in commerce, but they do not understand that it is a means to maintain dignity.*²

For a “scholar” who does not receive a government stipend, the priority is to achieve economic independence. Only then can one maintain personal dignity and independence. In 1656, Chen Que wrote an article entitled *Scholars Should Base Themselves on Managing Livelihood*, where he thoroughly discussed the issue. He said:

*The essence of learning is neither complicated nor mysterious: for those who govern a nation, it is to safeguard the nation; for those with a family, it is to protect their family; and for scholars, it is to sustain not just themselves, but also the well-being of their parents, siblings, and spouse and children. The task of supporting one's family cannot be delegated to others, so diligent management of livelihood is truly a scholar's essential skill. I have always considered learning and managing livelihood as fundamental, with the latter being even more crucial. Only those truly committed to learning can both study and manage their livelihood. There are no sages who are illiterate and impoverished, nor can one aspire to become a sage while neglecting to provide for their family and depending on others for sustenance.*³

1 *Collected Works of Luofanlong*, Volume 9.

2 *Qianfu*, Part 2 of Volume 1.

3 *Collected Essays of Chen Que*, Volume 5.

Chen Que believed that scholars should possess two fundamental skills: managing livelihood and learning. Moreover, managing livelihood was even more critical than reading, as it provided the material foundation necessary for moral cultivation and scholarly advancement. Chen Que opposed the strict dichotomy of “heavenly principles” and “human desires” promoted by Song-Ming Neo-Confucianism, advocating instead for their integration and transformation. In *On Private Desires*, he stated:

Only a true gentleman can truly possess private desires. Those who are not gentlemen cannot truly have private desires.... A gentleman seeks to govern the nation through his virtue, achieving harmony and balance in society. However, if he lacks virtue himself, he will be unable to govern the nation effectively.¹

In tandem with the theory of managing livelihood was the theory of “new four classes.” Wang Yangming spoke of the ancient notion that “the four classes have different roles but share the same path,” and Huang Zongxi proposed the idea that “commerce and industry are also fundamental.” Shen Yao even argued that “scholars are not as good as merchants.” He remarked:

Today, money is esteemed, and Confucian teachings are in decline. Scholars who understand this can close their doors and avoid public life.²

This demonstrates that from the mid-Ming dynasty onwards, the status of merchants had improved, the social standing of scholars declined, and the distinction between scholars and merchants became increasingly blurred. As noted in a discussion of Shanxi merchants:

In Shanxi, the pursuit of profit surpasses the pursuit of reputation. The brightest young men often engage in trade, the next become clerks, and only the least capable are made to study for exams, resulting in a decline in learning.³

1 *Collected Essays of Chen Que*, Volume 11.

2 *Collected Works of Luofanlong*, Volume 10.

3 “Liu Yuyi, May 9, Year 2 of Yongzheng”, *Imperial Edicts of Emperor Yongzheng*, Volume 47.

Regarding Huizhou, it was said:

In Huizhou, commerce is considered the highest occupation, passing the imperial examinations being secondary.¹

During the Wanli period of the Ming dynasty, Wang Daokun from Huizhou revealed the concept of “merchant on the right, scholar on the left” in his *Taihan Collection*:

In my hometown, merchants are valued over scholars (literally “scholars are on the left and merchants on the right”). People there prefer making much money over gaining high status. Thrifty individuals could start with a small amount of capital and amass great wealth.²

The new capital in the south of the Yangtze River is known for its cultural prosperity and material wealth. In local customs, there is a frequent alternation between scholarly pursuits (Confucian studies) and commercial activities (trade), much like changing seasons. However, it is important to know that distinguished merchants are on par with esteemed scholars in terms of their excellence.³

In Xiu and She counties, merchants are more esteemed than scholars (“scholars are on the left and merchants on the right”), and practical knowledge such ‘Nine Chapters’ is valued over classical Confucian texts like Six Classics.⁴

In ancient times, scholars were valued over merchants (“scholars were on the right and merchants on the left”). But in our county, merchants are on the right and scholars on the left. Those who cannot succeed in commerce turn to scholarship; those who cannot excel in scholarship revert to commerce.⁵

Certainly, numerous documents can prove that scholars were still revered

1 *Slapping the Table in Amazement II*, Volume 37.

2 Eulogy for Huang Gong of Pujiang on His Seventieth Birthday, *Taihan Collection*, Volume 18.

3 “Stele Inscription for the Posthumous Bestowed Title of Honorable Assistant Minister Cheng and His Wife, the Esteemed Min”, *Taihan Collection*, Volume 55.

4 “Jing Garden Record”, *Taihan Collection*, Volume 77.

5 “Stele Inscription for the Late Scholar Wu Changgong of Xigu Valley”, *Taihan Collection*, Volume 54.

in Ming and Qing society, and only those who failed in scholarly pursuits turned to commerce. For example, late Ming Shaanxi merchant Wang Laipin admonished his descendants:

*Among the four classes, scholars are the most respected. However, without success, it is better to be a farmer or merchant.*¹

Shanxi merchant Xi Ming “studied for the imperial exams without success in his young age, but did not enjoy farming,” therefore, he said:

*“If a person cannot achieve fame in the world or establish a legacy within their family, their life holds little value, much like a tiny, insignificant drop of sweat.”*²

In late Qing, Ni Renmu, a resident from Qimen, Huizhou, declared:

*A person should be self-reliant. If one cannot excel in scholarship to gain fame, one should follow Fan Li’s example to achieve wealth. Why should one remain in a state of frustration?*³

Thus, to people in the Ming and Qing dynasties, both scholarly and commercial pursuits had their merits, neither being superior to the other. This sentiment was captured in the phrase “merchants for substantial profits, scholars for high reputation.” As a result, it was common to see individuals “abandoning scholarship for commerce.” Yu Ying-shih listed seventeen or eighteen such examples in his *Chinese Modern Religious Ethics and the Spirit of Merchants*, while *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties* provides even more instances.

Among these, some individuals turned to commerce due to family decline or poverty:

(Ye Tianci) was intelligent and fond of learning, proficient in poetry and calligraphy. His family was poor, so he engaged in

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- 1 Li Weizhen, “Memorial Tablet for the Local Sacrifice to Wang Gong”, *Dami Mountain Collection*, Volume 106.
 - 2 Han Bangqi, “Stele Inscription for the Tomb of Xijun of the Ming Dynasty”, *Yuanluo Collections*, Volume 6.
 - 3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

commerce.¹

(Jin Yucheng) was a brilliant youth, versed in classics and philosophical works. Faced with repeated setbacks and seeing his father struggling to support the family alone, he abandoned the scholarship for commerce.²

(Shen Fangxian) originally a scholar, he turned to commerce due to poverty.³

Huang Jizong from Jinjiang was gifted in scholarly learning and studied for the imperial exams when he was still a child. Upon reaching adulthood, his father passed away, and the family was poor, so he managed his livelihood.⁴

Yang Qiao from Anping understood the essence of classics and history at the age of ten. After his father and elder brother passed away, and as his second brother suffered from a chronic illness and couldn't manage the family, he abandoned scholarship for commerce.⁵

Xu Beimeng was from the southeast village of Yangshu and was later made a county student. As his family was extremely poor, he sold books in Hangzhou to make a living.⁶

Some turned to commerce after failing in the imperial examinations:

(Chen Zuxiang) was able to read and write at seven and compose essays at ten. Frustrated by unfulfilled ambitions, he turned to commerce.⁷

(Cheng Weizong) was ambitious from a young age and dedicated to learning. At nineteen, he took the provincial examination but failed.

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 Chen Que, "Postscript to the Inscription for Pan Lie's Wife", *Collected Essays of Chen Que*, Volume 17, Zhonghua Book Company, 1979.

4 Mingduxing, *Records of Quanzhou County*, Volume 59.

5 Mingduxing, *Records of Quanzhou County*, Volume 59.

6 Wang Duanlv, *Records of Chonglunwen Study*, Volume 6.

7 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

Faced with political turmoil, he gave up aspirations of officialdom and pursued commerce.¹

(Bao Wen) was eager to achieve success through merit. After repeatedly failing local examinations, he reluctantly abandoned scholarship for commerce to support his family.²

Countless examples demonstrated that many scholars had initially aspired to achieve official positions through Confucian learning, but later financial constraints forced them to abandon this goal and pursue business instead. In their new roles, these individuals either continued to uphold Confucian ideals while working as merchants, blending both worlds or maintained Confucian ethics in their business practices, making profits in an ethical way and adhering to rules and regulations. This resulted in a distinctive social landscape in modern Chinese society.

Section Two Merchants of Confucian Conduct

Influenced by the traditional value that “of all pursuits, the noblest one is being a Confucian scholar,” many who transitioned from Confucian studies to commerce began applying Confucian ethics to their business activities. This influence helped shape Chinese business ethics and gradually changed the long-held prejudice against merchants, encapsulated in the saying “no merchant is honest.” As a result, people started to reevaluate this emerging merchant class and recognize their value.

One of the core ethical principles for merchants was frugality. In his book *The Protestant Ethic and the Spirit of Capitalism*, Max Weber discussed how Protestants pursued wealth while adhering to a strict, ascetic lifestyle. He explained that the value of a profession was judged by moral standards and

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

its contributions to society. They believed in working hard to achieve wealth for God's sake while refraining from indulging in worldly pleasures. For them, the lavish lifestyles of both the nobility and the newly rich were equally detestable.¹ Thus, hard work and frugality were regarded as virtues deserving of praise.

Chinese merchants during the Ming and Qing dynasties also valued diligence and frugality.

These virtues had long been emphasized in traditional Chinese culture. Li Shangyin's poem *Reading History* states, "Examining the past, nations and families thrive on diligence and frugality but perish through extravagance." Buddhism advocated "no work, no food," and Neo-Confucianism emphasized "diligence in life" and "one cannot be lazy," all reinforcing the respect for thrift in Chinese culture. By the Ming and Qing periods, this habit of frugality became particularly prominent among merchants. Huizhou merchants, for instance, were known for their frugality:

At home, they live frugally and save up money. The poor eat twice a day, the rich thrice. Their meals consist of simple congee; they do not serve millet even for guests. They do not keep horses or poultry. Over time, this habit is deeply ingrained... Women are particularly known for their frugality. In the countryside, they might not eat fish or meat for months, spending their days mending clothes and weaving cotton. In Yi and Qi counties, it was customary for women to spin and weave together at night, earning up to forty-five days' worth of wages in a month.²

Volume XVIII of *Miscellaneous Notes on Shexian Customs and Rites* states:

At home, people practice frugality. Even in wealthy households, daily meals consist of just a small portion of meat, while the poor eat simple meals of rice and vegetables.

Huang Wenmao, a merchant from Shexian, "practices thrift and is

1 Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, Sanlian Bookstore, 1987, p.127-128.

2 Kang Xi, *Custom, Records of Huizhou County*, Volume 2.

diligent.” “He is generous in helping the poor and in disaster relief, giving away a large amount of money without any hesitation or stinginess.”¹

Cheng Zhihe, also from Shexian, “eats simple meals, controls his desires, and wears plain clothes, sharing the same hardships and joys as his servants.”²

Pan Yuanda, from Wuyuan in the early Qing dynasty, “is wealthy but leads a frugal life, but is generous in providing clothes and food to those in need.”³

Shanxi merchants were also known for their braveness, thriftiness, and hard work, earning Shanxi the reputation of “thrifty and diligent tradition.”

However, Xie Zhaozhi, in his *Wuzazu*, said:

*The wealthiest households in the south are found in Xin'an, while in the north, they are concentrated in Shanxi. The prosperous merchants of Xin'an primarily trade in fish and salt, with some amassing fortunes of up to a million, while those with twenty to thirty thousand are considered medium-sized merchants. In contrast, Shanxi merchants focus on salt trading or grain storage and tend to be wealthier than their counterparts in Xin'an. While merchants from Xin'an are known for their extravagance, those from Shanxi are more frugal. Although people from Xin'an may be modest in their food and clothing, they tend to be lavish in keeping concubines, visiting courtesans, and engaging in legal disputes.*⁴

Wang Daokun, in *Wang Changjun's Biography*, also agrees with this notion of “extravagant Xin'an”:

Xin'an has many prominent merchants, with those in the salt business being the most lavish. At home, they enjoy grand music and dancing for entertainment; when they go out, they ride in processions.

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

4 Xie Zhaochaio, *Wuzazu: Volume on Geography II*.

In their free time, they host grand banquets, inviting guests and being entertained by women from Yue and Wu. The celebrations go on day and night.¹

In fact, the extravagance of Xin'an merchants in keeping concubines and visiting courtesans was mainly for public relations, and engaging in lawsuits was to protect their legal rights. But Gu Yanwu in *History of Zhaoyu* said:

Xin'an is known for being the most diligent and thrifty in the world, hence the richest. Young scholars are thrifty when staying at home. When they travel long distances to the capital for exams, they wear simple clothes and straw shoes, often going barefoot and carrying umbrellas themselves to save money on transportation. It's said these scholars often come from extremely rich families. In Huizhou, people from all walks of life are known for their simplicity. To be considered wealthy there, you need to possess at least several hundred thousand in assets—a tradition that has been around for a long time.²

It is evident that merchants from Huizhou, especially small and medium-sized ones, generally upheld the traditional virtue of thrift.

Integrity is another essential aspect of business ethics. During the Ming and Qing dynasties, Chinese merchants believed that “if a person possesses good qualities, Heaven will help him with good fortune.” For example, the Shaanxi merchant Fan Xian said:

Who says Heaven is not reliable? I have traveled south to Jianghuai and north to the borders, yet I have never encountered bandits. Heaven watches over my honesty! In trade, others resort to deceit, but I rely on honesty. Therefore, I prosper while their fortune decline. Who says Heaven is not reliable?”³

Wang Wan recorded the story of the late Ming merchant Jin Runa from

1 *Taihan Collection*, Volume 3.

2 Xie Guozhen, *Selected Historical Materials on the Social and Economic History of the Ming Dynasty*, Volume 2, p.91-92.

3 Kang, H. *Kang Dui Shan Collection* (Vol. 38, Epitaph for Revered Fan Weng of Fu Feng). In Y. Y. Shi (Ed.), *Scholars and Chinese Culture*, Shanghai People's Publishing House, 1987, p. 558.

Dongting Mountain in *Epitaph for Guan Tao*. Quoting Jin's son, he wrote:

For thirty years, Jin worked for the Xi family... The Xi family didn't ask about the accounts, yet he never took a penny without a legitimate reason. Some close friends hinted that he should accumulate wealth for his descendants, but he rebuked them, saying, 'People have entrusted their hearts to me; how could I face the gods if I betray them?' ... There was once a man who had deposited some silver with him but died without an heir. Jin tracked down the man's son-in-law and returned the silver. The son-in-law's family was astonished, not knowing that their father-in-law had deposited money with Jin. Thus, everyone in the mountain regarded my father as a virtuous man.¹

This record clearly illustrates that the honesty of merchants is tied to the traditional Chinese belief in ghosts and spirits. Additional entries in local histories indicate that the traditional emphasis on professional ethics among merchants stems from their alignment with Confucian values. Although they have left behind the scholarly pursuits of Confucianism for commerce, many still uphold the moral character of Confucian scholars, sometimes even surpassing actual scholars who prioritize financial gain. This sentiment is encapsulated in the saying, "Better to be a Confucian merchant than a mercenary scholar,"² which expresses disdain for scholars who relentlessly pursue profit.

Thus, in *Selected Materials on Huizhou Merchants of the Ming and Qing Dynasties*, we find quite a few such examples:

Cheng Delu: "Though he was a merchant, his conduct was akin to that of Confucian scholars."

Huang Jifang: "Throughout his life, he had never been deceptive in words. In his dealings, he was sincere and trustworthy... Therefore, those who were wise and fond of debate admired his sincerity, and those who respected Confucian rites also respected his virtue. Such a person, though a merchant in

1 Wang Wan, *Collected Essays of Yaofeng (Yaofeng Wen Chao)*, Volume 16.

2 "Epitaph for Cheng Changgong, the Recluse of Xiuning", *Taihan Collection*, Volume 61.

name, acted like a Confucian, didn't he?"

Zheng Kongman: "Although he traveled as a merchant, he wore the cap and sword of a scholar and carried a poetry book wherever he went."

Xu Wenlin's son, Xu Xuan: "His father was renowned for business integrity, and he traded in the market with trust and righteousness, attracting many customers from near and far, bringing prosperity to the family."

Huang Changshou: "He managed his business according to Confucian principles, earning admiration from far and wide. Within a few years, his wealth grew significantly... Though he mingled with merchants, he maintained the conduct of a Confucian.

Xu Sigong: "Busy with commerce, he still conducted himself like a humble scholar."

Wang Qifeng: "He loved reading from a young age. Following his father's orders, he dressed as a scholar while engaging in commerce, embodying the integrity and humility of a Confucian merchant."

Since the Ming and Qing dynasties, there has been a notion that "although the practices of scholars and merchants differ, their principles are the same."

Volume 168 of the "*Genealogy of Wang Family*" states:

In ancient times, the four classes (scholar, farmer, craftsman, and merchant) were not strictly divided. Over time, the rules changed, and now scholars and merchants are distinct from each other, but merchants can still conduct themselves like scholars. Just as a scholar can follow Confucian ethics, so can a merchant. Therefore, whether one practices Confucianism or commerce, the principles align, and self-discipline transcends occupation.¹

Therefore, although scholars and merchants differ in their means of livelihood, they share similar ethical values and life attitudes. Merchants applying Confucian ethics to themselves is the first aspect of "acting like a Confucian while being a merchant."

¹ *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

“Merchants of Confucian conduct” also engaged in charitable acts, such as building ancestral halls, providing disaster relief, improving water conservancy, constructing roads, and caring for orphans and the poor.

For example, Huizhou merchant She Wenyong in the Ming dynasty “practiced thrift and frugality, was charitable as if driven by hunger and thirst. He built several charity houses, purchased 120 acres of land, appointed a clan member to manage it, and provided daily rations of rice. For the widows, orphans, and disabled, he doubled the provision. During prosperous years, he distributed the surplus; during poor years, he offered loans to those in need and provided clothing at the end of each year.”¹ Another example is Hu Tianlu, a Qimen native in the Ming dynasty: “When a fire destroyed the houses of his fellow villagers, he rebuilt the houses at his own expense. He also donated funds to establish a house in the city for his relatives, provided 300 acres of land for clan rituals, supported education, funded weddings and funerals, and aided impoverished widows and orphans.”²

Merchants also funded military supplies and disaster relief.

During the Ming dynasty, Huizhou merchant Wang Taihu from Shexian “often traded in Piling. He once donated a large amount of grain for relief after a flood. Later, when famine struck in his hometown, he contributed 600 stone (dan) of grain.”³

At the end of the Ming dynasty, Wuyuan native Hu Jifang and his brother Hu Jixun “encountered a flood and famine in the year of Tianqi Jiazi (1624). They provide porridge to feed the hungry for three months. The local official Xu Mingzu honored them with the title ‘Righteous Philanthropists for Disaster Relief.’ This strengthened (Xun’s) resolve to do good deeds, repairing bridges and roads, buying ferry boats, providing for the burial of the abandoned, selling grain at fair prices, and distributing porridge. These actions

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

became routine, and the villagers all praised his virtue.”¹

Shexian native Bao Shufang, during the great flood of the Huaihe River and the Yellow River, “initiated the establishment of relief factories and earnestly requested public donations of 40,000 stone (dan) of wheat, extending relief efforts for two months. The number of lives saved exceeded hundreds of thousands. At home, he upheld principles of integrity and righteousness, repairing village temples, building water embankments, establishing charitable schools, renovating Xinxinling, Wanggan, Yangxi, Qingshuitang, and various roads, and contributing to charitable burial grounds. His acts of charity were countless.”²

Merchants’ enthusiasm for such “charitable deeds” exemplifies the Confucian philosophy of “helping the world when in power and preserving one’s integrity when not.”

“Merchants of Confucian conduct” also demonstrated their love for literature and poetry, which mirrored traditional values. Huizhou Merchants in the Ming and Qing Dynasties were particularly known for “being merchants who loved Confucian learning.” Wang Daokun wrote in Volume 52 of *Taihan Collection*:

*In Xindu, three out of every four were merchants and the remaining one was a scholar, making it a place of cultural significance. Merchants sought substantial profits, while scholars sought high reputations. When people failed to achieve success as scholars, they would turn to commerce; once they had secured their livelihood through commerce, they would plan for their descendants to pursue scholarship. Thus, the two pursuits alternated and supported each other, much like the revolving wheels of a cart. This shows a careful and thoughtful strategy.*³

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

Here are some examples of merchant-scholars:

Huang Changshou from Shexian loved reading and often had his children engage in lectures and had their articles reviewed. He was particularly passionate about studying ancient artifacts and collecting fine inkworks. He spent his days exploring historical sites with fellow literary enthusiasts, never letting worldly concerns disturb his mental peace. Among his works were Wangyun's Posthumous Manuscripts, which he kept in a chest. He also published Wengong's Family Rites, Selections of Poetry and Prose, Snow Prefecture Anthology, Wangyun Collection, Rencheng Collection, Rencheng Sequel, and A Tour of the Rivers and Lakes.¹

Ling Shunlei from Shexian had a deep interest in the classics and history. He maintained a separate estate where he would retreat to read during his leisure time, and he prioritized educating his sons into Confucian scholars.²

Wang Zhide, although engaged in commerce, devoted himself to learning, never spending a day in idleness. He kept the company of the four arts—music, chess, calligraphy, and painting—and was especially well-versed in history. He could eloquently discuss the successes and failures of ancient and modern governance.³

Wang Yinghao from Xiuning also loved reading despite being a merchant. He had a natural affinity for poetry and history, studying various works like the Essentials of the Comprehensive Mirror for Aid in Government, Family Teachings, and Comprehensive Collection on Nature and Principle, understanding all their essentials. He would

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

*spend entire days reading whenever he had free time.*¹

Such instances of merchant scholars were not unique to Huizhou; they were prevalent across different regions during the Ming and Qing dynasties. For example, the prominent late Ming and early Qing merchant Xi Benjiu from Taihu, according to Wang Wan's *Collected Essays of Yaofeng*, would spend his leisure time copying the sayings of great Confucian scholars by hand, the total amount exceeding several volumes. He also interpreted *The Classics of Filial Piety* and studied *The Book of Changes* in depth. His nephew Xi Qitu was also an avid reader, possessing tens of thousands of volumes of books. Even in his later years, he wrote *Record of Cultivating Virtue* in his illness. He wrote at the end of the book that he “deeply regretted that the writings were incomplete as I am dying”, fearing that he would be ashamed when he met the sages and ancestors in the afterlife.²

Merchants from Longyou, Zhejiang, also balanced commerce and scholarship. Yu Chang studied “both commerce and literature from a young age.”³ The famous book merchant Tong Pei sold books while continuing with his learning, associating with notable scholars like Wang Shizhen, Wang Deng, Hu Yinglin, and Gui Youguang. He was so close to Wang Shizhen that they were described as “kindred spirits across the ages.” When Tong passed away, Wang Shizhen was overcome with profound sorrow. In *A Comprehensive Guide to the Surnames of Painters Through the Ages*, Feng Lü noted that Tong Pei was skilled at painting flowers and birds, similar to Lü Ji. Tong Pei's works included three volumes of poetry and two volumes of prose. Wang Xideng in *A Collection of Tong Ziming* praised his writing for its thoughtfulness, elegance, and profound sentiment. *Records of Longyou County* compiled during the Wanli period in the Ming dynasty described him as:

...loved writing and would revise his drafts multiple times before showing them to others. If his works were criticized, he would scrap his

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 Wang Wan, “Epitaph of Xi Sheren”, *Collected Essays of Yaofeng*, Volume 15.

3 “Biographies”, *Records of Longyou County*, Volume 3.

*work entirely and start over..... His writing was beautiful, and his calligraphy elegant, reflecting his refined character.*¹

Similarly, the merchant Xu Lianxi from Dongting “excelled in accounting and commerce in Hunan but always carried books with him, maintaining a refined demeanor even after decades in business.”²

In traditional society, where Confucian learning was prioritized over commerce, some merchants downplayed their business acumen and profession. For instance, Huizhou merchant Zhang Pu “avoided trivial and petty commercial activities believing such pursuits were unworthy of a merchant. Although he did not fully achieve his scholarly aspirations, he would not be mingled with merchants.”³ Cheng Shitan “engaged in commerce without succumbing to its baseness.”⁴ Zheng Zuo “considered himself a merchant in name only,”⁵ and Xu Wenlin was “noted for his elegance and love of poetry, with ambitions beyond mere commerce.”⁶

Hu Ji Yao, a prominent merchant from Qian County, was “granted an honorary official position later in life but always regretted not having studied Confucianism. Determined to make up for this, he ensured that his two sons pursued scholarly careers, placing great hopes in their futures.”⁷ Xu Qingchuan from Shexian instructed his sons: “If you advance as scholars, then strive to achieve literary fame among your peers; if you retreat to commerce, then be well-versed in poetry, rites, music, and virtues, and conduct yourselves with the grace and refinement of a scholar even as you travel far and wide in

1 “Longyou Merchants”, *China’s Ten Major Merchant Guilds*, 435-436. Huangshan Publishing House, 1993.

2 “Dongting Merchants”, *China’s Ten Major Merchant Guilds*. Huangshan Publishing House, 1993, p.335.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

4 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

5 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

6 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

7 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

business.”¹

Influenced by such values, merchants held scholars in high esteem and made significant contributions to education from primary to advanced levels. For instance, She Wenyih, a Shexian merchant, “established a charity school to educate the scholars of his clan.”² Hu Tianlu from Qimen donated land to ensure that “the local school had sufficient resources for teaching and for supporting accomplished students.”³ Cheng Shijie, a merchant from Wuyuan, “realizing that his distant ancestor had originally established the Yi’an Charity School and endowed it with 500 mu (33.33 hectares) of land, took it upon himself to rebuild the school. Every year, he used the income from selling surplus grain to hire teachers, enabling all the children of his clan to receive an education. He also covered their examination fees and, with any surplus funds, acquired additional land. His efforts amounted to an investment of over ten thousand taels of gold.”⁴ Jin Shang’ao from Yixian was known for his “generosity towards his clan, helping with funeral expenses and supporting the education of children.”⁵

Private academies, similar to official schools, were also higher education institutions. Merchants often contributed significant funding to these private academies to sponsor education endeavors. Bao Zhidao, a major merchant from Shexian, was noted for his charitable donations, particularly to education. Records show:

He was generous throughout his life, but he never sponsored the construction of Buddhist temples and Daoist monasteries. Instead, he focused on two academies in his hometown: Ziyang Academy within

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

4 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

5 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

the city and Shanjian Academy outside it, both of which had fallen into disrepair. With the support of local scholars, he took it upon himself to restore them. He petitioned the salt commissioner for funds, citing the example of Yangzhou's An Ding Academy, and supplemented these funds with 3,000 taels of silver out of his pocket for Ziyang Academy. He then contributed another 8,000 taels, investing them in the Huai River area to support the restoration of Shanjian Academy.¹

Similarly, in “Notable Figures and Charitable Deeds” of *Jiaqing History of Yixian*, volume seven, it was recorded:

Shu Daxin repaired the Dongshan Daoist Temple and built more than ten additional rooms by its side for clan members to study. When the county planned to build an academy, Shu Daxin contributed 2,400 taels of gold to support the project.

Merchants' dedication to educational endeavors stemmed not only from a desire to fulfill their aspirations of scholarly achievement and bring honor to their ancestors but also from an intent to build a good social reputation through charitable acts such as funding schools and aiding the poor.

Section Three From Merchants to Scholars

Transitioning from merchant to scholar was the third stage in the cycle of merchant and Confucian scholar. Scholars who temporarily gave up their studies and joined the ranks of merchants did so reluctantly, often driven by necessity. For them, commerce was merely a means to establish a material foundation for themselves or their descendants to eventually return to scholarly pursuits. Once there was an opportunity, they would abandon commerce and pursue scholarship again.

For instance, Wang Ang from Xiuning in the early Ming dynasty “initially pursued a scholarly career but later turned to salt trading in the Jianghuai and

¹ *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

Jingxiang regions. Regretting the departure from scholarship, he instructed his second son Tinghao to dedicate himself to learning with esteemed teachers, hoping to achieve a scholarly reputation and continuing the family's scholarly legacy.¹

Jiang Pei from Shexian, although “initially inclined towards scholarly pursuits, eventually turned to commerce, a path that did not align with his true aspirations. Despite his involvement in trade, he frequently recited works like *Records of the Grand Historian*, *Book of Han*, and poems of the Tang dynasty, and composed verses whenever inspiration struck. He was particularly dedicated to encouraging his sons to study Confucian classics, hiring teachers and sparing no effort in their education.” When his younger brother faced difficulties in the imperial examinations and considered abandoning scholarship for commerce, Jiang Pei counseled him, saying, “A farmer always hopes for a good harvest, yet he does not abandon his fields after a single poor season. I already regret my choice of career. Are you going to repeat my mistake?” Motivated by his brother, the younger brother made double efforts and eventually succeeded in the imperial examinations and became a *jinsshi*, a royal scholar.²

Many merchants eventually resumed their scholarly pursuits, fulfilling their lifelong aspirations.

Wang Chun from Xiuning in the early Qing abandoned scholarship due to the family's financial decline after his father's death, then he engaged in commerce for over a decade. Eventually, he “returned to Confucian learning at Jiangnan Academy, passed the imperial examinations, and was appointed to a significant government position.”³

Similarly, Wang Tingbang from Yixian in the Qing dynasty spent his youth as a merchant in Hankou, but he was “deeply moved by the sight of

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

numerous ships and bustling commerce.” This experience “inspired him to return home and dedicate himself to his studies, developing a profound ability for deep thinking.” He later studied at Zhongshan Academy, mastering mathematics, and “ranked second in the imperial examinations, becoming a *Juren* (provincial-level successful candidate) in the 38th year of Qianlong’s reign (1771).”¹

Cheng Jinfang from Xin’an, initially a salt merchant, “stood out among his contemporaries for his scholarly inclinations. He amassed a collection of 50,000 books and engaged in intellectual discussions with learned scholars.” Soon, “his salt business declined” and “his family declined”. Later, he presented a poem to the emperor during the imperial tour to the south, securing a position in the Imperial Secretariat. He later passed the imperial examinations and was “appointed as a compiler in the Hanlin Academy.”²

In conclusion, many merchants in the Ming and Qing dynasties aspired to return to scholarly pursuits once they had achieved financial success in commerce, reflecting their deep-seated reverence for Confucian values. This phenomenon underscores the enduring cultural preference for scholarship and the blending of mercantile and scholarly identities in Chinese society.

However, as two distinct professions, the pursuits of a scholar and a merchant often conflict with each other, as one cannot focus on both simultaneously. While there are individuals who manage to balance these roles effectively, the average person finds it challenging to excel in both areas.

Merchant Wang Tingbin had a passion for poetry, so some people said to his mother, “Engaging in two pursuits is unlikely to succeed. Your son’s indulgence in poetry may hinder his business endeavors.” She responded, “Our family has a commercial legacy. If my son can rise through poetry and associate with scholars, the potential setbacks in business are insignificant.” She was not troubled by his potential business failures. These merchants had a deep

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

appreciation for Confucianism, but they often prioritized their commercial activities at the beginning. Once they had accumulated sufficient wealth, they would either end their business career to focus on scholarly pursuits or place their hopes on their close relatives, encouraging them to dedicate themselves to Confucian learning. This approach significantly increased the likelihood of academic success. During the Ming and Qing dynasties in Huizhou, this practice led to a unique “family division of labor,” where merchants ensured their offspring focused solely on scholarly pursuits.¹

Hu Ji Yao from Yixian county is a prime example of a “scholar merchant.” Successful in commerce, he never neglected Confucian learning. He had three sons, directing his eldest and youngest to study Confucianism while the second son joined him in business. He had high hopes for his two sons, often admonishing them with the words of ancient sages: “True goodness is not driven by cause and effect, nor is Confucian learning solely for official titles. Our family has a long tradition of learning; if you cannot carry on this tradition, achieving official titles is meaningless.” The family lived “frugally, with no luxuries, except for the expenses of hiring teachers and buying books.”

Fang Daorong, a merchant from She County, was “deeply committed to educating his children in his later years. He tailored their education according to their abilities, directing his eldest and second sons to pursue commerce while his youngest son to focus on Confucian learning.” Li Daqi, a merchant from Wuyuan, abandoned Confucian studies in favor of commerce and achieved great success. However, he always regretted not fulfilling his scholarly aspirations. “He built the Huancui Study Hall in the village, personally supervising his children’s studies every day. He often encouraged them, saying, ‘Our ancestors were diligent in their scholarly pursuits and moral conduct. Despite my business success, I could not achieve an official position to honor our family legacy, which I deeply regret. But I have high hopes that you, my sons, carry on this tradition, strive for academic success, and bring honor to

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

our family.’ Motivated by their father’s words, his sons dedicated themselves to their studies and gradually achieved success.”¹

Similarly, some merchants supported the education of their extended family members. Wu Guojin from Xiuning selected promising relatives and provided them with the necessary resources for them to complete their education. Shu Daxin from Yi County “built a reading hall for his family members.” Cheng Shijie from Wuyuan “rebuilt Yi’an charity school, using the proceeds from selling surplus grain to employ teachers and support his clan’s education.”²

Why were merchants so eager to pursue Confucian learning and official positions? The reason lay in the belief that “Confucian learning and government positions” not only were of the highest cultural and ethical value but also were the ultimate pursuit in the secular world.³ Getting rich through commerce could not “enhance family prestige” or “bring honor to parents.”

Wu Pei of Xin’an started his career in commerce, but when talking about his brothers, he said, “My younger brothers are committed to Confucian learning and will surely bring great honor to our family in the future. But I am only engaged in trivial commercial activities; how can I bring honor to our family?” Wang Taikun’s cousin, Wang Caisheng, became very wealthy through commerce but still encouraged his son to study diligently: “Our family has been commoners for a long time. Only through Confucian studies can we elevate our family. My son, strive hard and do not follow the path of merchants.” Jiang Xiling from She County traveled extensively for business with his son, reading by lantern light at night. When someone advised him to focus on trade to improve their financial situation, Jiang responded, “Our family has upheld the tradition of Confucian studies for generations. Simply engaging in commerce without pursuing scholarly studies does not honor our

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 Chen Qinan. “The Professional Outlook and Familism of Huizhou Merchants in the Ming and Qing Dynasties.” *Jianghuai Forum* (2), 1992.

ancestors' legacy." Ling Shan from Shaxi "often lamented not completing his Confucian learning to enhance family reputation. He would travel hundreds of miles to invite teachers to educate his children and nephews. He woke early and stayed up late, personally supervising their education." Wang Tang from Xiuning left his hometown "to do business at the coast, eventually becoming wealthy." He had "five sons, all capable of managing the family business." However, on his deathbed, he still urged his sons, "Our family has long been known for its scholarly pursuits. Although I could not fully achieve this, our books remain (for you to continue with Confucian learning). It is up to you to elevate our family reputation."¹

These examples demonstrate that merchants turning to Confucian learning aimed to honor their ancestors and elevate their family's status. This transition from merchant to scholar represented the value of traditional society. This societal preference for scholars over merchants hindered the development and perpetuation of commerce. Even in modern times, overseas Chinese merchants often donated to the Qing dynasty in exchange for titles and official positions. Researcher M. Godley noted: "Historical records are replete with instances of merchants amassing wealth, but almost without exception, these merchants eventually invested their accumulated wealth or surplus capital in purchasing land or in preparing their next generation for the civil service exams. Even lifelong merchants encouraged their descendants to pursue officialdom through the exams. Thus, what motivated merchants to acquire wealth ultimately negated or hindered the growth of commercial enterprises."² Godley's statement reveals the deep-seated inclination of traditional Chinese merchants towards Confucianism. However, their commitment to public welfare and the promotion of culture and education remains a practice worthy of emulation today.

The purpose for traditional Chinese merchants to make money was to

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 Chen Qinan. "The Professional Outlook and Familism of Huizhou Merchants in the Ming and Qing Dynasties." *Jianghuai Forum*(2), 1992.

make investments in cultural development and public welfare. Their priority was not profits, nor did they make continuous reinvestment in commerce, which is a notable characteristic. While some may criticize this approach, we believe the values of traditional Chinese merchants offer valuable lessons and encourage reflection on the excessive materialism prevalent in modern society.

Chapter Four Merchant Associations

Section One Regional Guilds

Chinese merchants have been engaged in commerce since the pre-Qin era, but before the Ming dynasty, their activities were largely isolated and lacked group identity. Significant changes took place in the mid-Ming period with the growth of the commodity economy, the opening of trade routes, increased circulation and diversity of goods, and the loosening of traditional restrictions on commerce. As merchants gained status and societal attitudes towards trade evolved, the expanding merchant class and heightened competition led to the emergence of merchant guilds across regions.

“Merchant guilds were merchant groups formed by those from the same region bound by kinship and local ties, with the aim of mutual support. These loosely-organized yet close-knit groups used guild halls and public offices as meeting places to connect and discuss business while in foreign areas.”¹ The rise of merchant guilds marked the final stage of the development of China’s feudal commodity economy.

The nascent form of these guilds was kinship-based merchant families. In traditional Chinese society, “land is not just a natural resource but also contains a sense of kinship and cultural identity associated with ancestors

¹ Zhang Haipeng & Zhang Haiying, preface to *China’s Top Ten Merchant Guilds*, Huangshan Publishing House, 1993.

and family heritage. This cultural identity fosters a strong attachment to and dependence on the land.”¹

Take Huizhou merchants as an example. Huizhou had limited land resources but was densely populated with a stable society and powerful clan influence. Acquiring land through purchase or annexation was difficult. Therefore, the members of Huizhou had to seek opportunities beyond agriculture for livelihood. The leading clans of Huizhou were among the first to engage in commerce. “This was partly because expanding population gave rise to the problem of livelihood, and partly because it was easy for them to raise capital, take risks, and get help from Huizhou natives who held official positions elsewhere.”² The capital for Huizhou merchants came from various sources, including family wealth, marriage dowries and others. For example, Wu Lifu from Shexian leveraged “his wife’s dowry to start a business and amassed a fortune.”³ Zheng Xi’s younger brother Zheng Duo was “skilled in commerce but lacked capital. Zheng Xi’s wife offered her dowry to him, and he successfully expanded his business in Jing and Yang regions.”⁴ Sometimes, funding came from relatives, like Xu Jiqing, who was “generous with his wealth, often lending to impoverished clan members without expecting repayment.”⁵ Wang Youzhi, “seeing the struggles of his cousins in their joint venture, returned their share of capital out of compassion.”⁶ Clan support also played a crucial role in passing down commercial skills. Many merchants honed their abilities under the guidance of older, experienced family members. The strong clan consciousness among the people of Huizhou often led to collaborative business endeavors, with successful merchants feeling a responsibility to help their relatives prosper.

1 Xu Yong, *Non-Equilibrium Chinese Politics: A Comparison Between Urban and Rural Areas*. China Radio and Television Publishing House, 1992, p.99.

2 Gao Shouxian, *Huizhou Culture*. Liaoning Education Publishing House, 1995, p.84.

3 “Record of Zunjie Gong”, *Fengnan Annals*, Volume 5.

4 *Draft of Yanzhen Annals*.

5 “Biography of Xu Gong of Tanzhai, Bestowed the Title of Senior Gentleman of Government Administration”, *Xu Family Genealogy of She County*, Volume 5.

6 “Righteous Conduct”, *Guangxu’s Yuxian Ancient Annals*, Volume 33.

The “Jin Merchants,” known as the richest merchants in the world, also mostly operated through family businesses. Even in modern times, family-operated businesses were very common in industry and commerce. For instance, the Fang family of Zhenhai in Zhejiang Province, known for their money-lending business, began with Fang Jietang trading grains and groceries around 1796-1820. He later expanded into the sugar trade in Shanghai, establishing the Yihe Sugar Shop and recruiting many family members to assist in the business. After Fang Jietang’s death, his nephews Fang Runqi and Fang Mengxiang established Cuihe Sugar Shop and Zhenchengyu Silk Company. Around 1830, Fang Runqi set up the Lyuhe Money Shop in Shanghai which also dealt in hand-woven cloth and sundries. After the death of Fang Runqi and Fang Mengxiang, their younger brother Fang Xingzhai took over the family businesses and expanded to twenty-five money shops, laying the foundation for the Fang family’s commercial empire across Shanghai and other major trade centers. Another branch of Fang’s family business was initially established by Fang Jietang’s cousin Fang Jiankang, who founded Taihe Sugar Shop in Shanghai. After Fang Jiankang’s death, his son Fang Yangqiao expanded the business into money lending, eventually operating up to eighteen money shops at its peak. The Fang family, originally focusing on commerce, later diversified into finance, and expanded into multiple sectors including sugar, shipping, jewelry, textiles, medicine, groceries, fish, publishing, and real estate. Their vast business network, centered in Shanghai, extended to cities such as Hangzhou, Ningbo, Shaoxing, Hankou, Nanjing, Shashi, Yichang, Huzhou, and Zhenhai.¹

Kinship organizations evolved into regional merchant guilds based on geographical ties. Due to shared origins, these merchants had common dialects, lifestyles, thinking patterns and values, fostering a strong sense of camaraderie. The traditional Chinese saying, “One of the greatest joys in one’s life is meeting an old friend in a foreign land,” captures the deep connection

¹ *Shanghai Qianzhuang Historical Materials*. Shanghai: Shanghai People’s Publishing House, 1960, p.730-733.

and strong sense of kinship that has always been valued by Chinese people. Merchant guilds were formed based on these geographical bonds. They were categorized as “native guilds” or “guest guilds” by location and as trade guilds by industry. In the Ming and Qing dynasties, several prominent merchant guilds emerged, such as the Shanxi, Shaanxi, Shandong, Fujian, Huizhou, Dongting, Guangdong, Jiangyou, Longyou, and Ningbo merchant guilds. By the late Qing dynasty, there were as many as twenty-two merchant guilds in Shanghai alone, including guilds from Ningbo, Shaoxing, Qianjiang, Jinhua, Huining, Jiangxi, Hubei, Hunan, Sichuan, Nanjing, Yangzhou, Northern Jiangsu, Zhenjiang, Suzhou, Wuxi, Changshu, Tongzhou, Shandong, Tianjin, Shanxi, Chaozhou, Jianting, and Guangdong.

Merchant guilds shared several common traits, such as setting up guild halls or associations in foreign lands, honoring their own deities or revered figures, following shared business practices, and dominating specific industries. However, each guild also exhibited distinct characteristics shaped by its regional culture. Some excelled in maintaining commercial integrity and honesty, others in market forecasting and monopolization. Some were pioneers in new industries, while others engaged in armed trade or placed a strong emphasis on cultural education and adopting new knowledge. The following sections will explore both the commonalities and unique features of these merchant guilds.

Guild Halls

Generally speaking, guild halls can be categorized into three types: those purely established by craftsmen and merchants, those jointly built by local officials and merchants, and those established by local civil and military officials. Here, we will only discuss the guild halls established purely by merchants.

Merchant guild halls, also known as trading guild halls, primarily served to “honor divine blessings, hold gatherings, support charitable activities, and

foster regional solidarity.”¹ They brought together merchants of the same hometown, creating a network for “support and assistance”². The Guangzhou goods merchants in the capital city repaired the Xiancheng Guild Hall in the 11th year of Xianfeng (1861) and again in the 9th year of Tongzhi (1870). Their charter explicitly stated:

*After the reconstruction of this guild hall, we initially planned to change its name, avoiding the term ‘guild hall’ to distinguish it from the public guild halls of various provinces. This guild hall was established with private contributions, unlike the public guild halls funded by the community, thus differing in nature and deserving a different name. However, it was later agreed that since it was established on the original site of Xiancheng, it should retain its old name. Moreover, the inscription from the 54th year of Kangxi’s reign begins with ‘What is the purpose of a guild hall? It serves as a place for merchants to conduct ceremonies and gatherings,’ indicating that the term “huiguan” (guild hall) was already distinct from public guild halls. Therefore, the term ‘guild hall’ should be clearly defined in the charter to prevent future misunderstandings.*³

This indicates that such trading guild halls were privately established by merchants or merchant guilds, unlike the public guild halls managed by provincial authorities. Regarding the role of guild halls, as is stated in an inscription:

The various trades exist to streamline the receiving and dispatching of goods, while their guild halls serve as venues for discussing and evaluating market prices. As the nation’s leading city, the capital city has an abundance of trading guild halls, surpassing those in the provinces by tenfold. Additionally, the number of guild halls outside the Zhengyang,

1 *Record of the Chaozhou Guild Hall*. In *Selected Inscriptions from the Ming and Qing Dynasties Onwards*, edited by Jiangsu Museum. Jiangsu People’s Publishing House, p.40.

2 Stele Inscription of the Righteousness Shrine. In Li Hua, *Selected Inscriptions from Beijing’s Industrial and Commercial Guilds since the Ming and Qing Dynasties*.

3 *Collection of Materials on Beijing’s Industrial and Commercial Guilds*, Volume 5, p.985. Based on a manuscript by Niida Noboru.

Chongwen, and Xuanwu gates far exceeds those located near other city gates.¹

This suggests that trading guild halls were places where merchants of the same trade would make market plans, hold discussions, and conduct transactions within the guild hall premises. The emergence of merchant guild halls was a result of increased commercial activities and the growing presence of traveling merchants in various regions.

In the south, Suzhou had the most guild halls due to its status as “a major commercial hub in southeastern China. Merchants from all over gathered there, trading a wide variety of goods. As a result, almost all trading communities established their own guild halls there.”² By the late Qing dynasty, Suzhou had approximately fifty guild halls, with about ninety percent of them related to handicraft and commercial activities.

The merchant guild halls have the following characteristics:

1. Merchant guild halls were established by merchants of the same hometown in foreign lands, primarily serving merchants from the same region and exhibiting strong exclusivity. For instance, the Huizhou merchants residing in Hankou explicitly stated, “No officials or relatives from the same hometown are allowed to stay here to avoid confusion.”³ Even officials from the same hometown could not stay there.

2. The guild halls were named variously as temples, halls, palaces, and guilds based on their origin and purpose. For example, the Jiangsu-Zhejiang Public Office in Hankou was called Sanyuan Hall, the Shaanxi Guild Hall was named Guandi Temple and Shanshanli, the Jiangxi Linjiang Guild Hall was named Renshou Palace, and the Huizhou Guild Hall was known as Xin’an Academy⁴. Other examples include the Du Kang Temple for the Hunan and Changsha wine industry, the Fuxing Palace for the Yiyang merchant guild, the

1 Stele Inscription of the Beijing Pigment Guild Hall, February, 18th Year of Daoguang (1838).

2 “Inscription of the Jia Ying Guild Hall in Gusu”, *Selected Inscriptions from the Ming and Qing Dynasties Onwards*, edited by Jiangsu Museum. Jiangsu People’s Publishing House, p.351.

3 Dong Guifu, *Revised Historical Sketch of Ziyang Academy in Hankou*, Vol. 8, p.75.

4 Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.131-144.

Fire Temple for the Changsha hairpin accessory industry, and the Jin Yun and Wen Zhi guilds for the silk and cloth industry in Changsha. The guild halls of Guangdong and Guangxi merchants often used the term “tang” (meaning hall) in their names.

Regarding the architecture of these guild halls, M. G. Gowing described in his book *The Guilds of China*:

Some of these guild buildings were extremely magnificent, representing the highest examples of Chinese architectural art. All those gilded and carved brick and stone structures and sculptures gave the guild halls an aura of grandeur and solemnity. The most striking part was often the garden theater for deity worship, with a stage at one end and a shrine at the other. The surrounding railings provided spaces for distinguished guests to watch performances, chat, and dine, while the open space below was freely available for the public.¹

This description suited most guild halls in China.

3. Merchant guild halls, whether for a specific trade or a particular regional group, often housed shrines dedicated to deities or revered figures associated with their hometowns or trades.

According to *The Hidden Masters of Wumen* by scholar Gu Zhentao in the Qing dynasty, various merchant guild halls in the Suzhou region, including Wu County, Changzhou, and Yuanhe, worshipped the following deities:

Liquor Immortal Temple: Worshipped Dukang and Yi Di, legendary figures associated with the invention of liquor.

Lu Ban Temple: Dedicated to Gongshu Ban (Lu Ban), the patron saint of carpenters and builders.

Kitchen Guild Hall: Worshipped Guan Di (Guan Yu), a historical figure later deified as a god of war and wealth.

Tea Ceremony Guild Hall: Revered Shuzhong Tong, Lu Yu, and Song Li,

¹ Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.8.

significant figures in tea culture.

Similarly, the 1928 edition of the *Dazhu County History* compiled by Chen Buwu and others records that merchants from different provinces built guild halls in this area, each dedicated to industry-specific deities. For example, Wanshou Palace, or Jiangxi Guild Hall, enshrined the Jin dynasty figure Xu Xun, with figures of Xiao Gong Boxuan and Yan Gong on either side; Tianhou Palace, or Fujian Guild Hall, was dedicated to Mazu, the goddess of the sea; Huanhou Palace worshipped Zhang Fei, commonly known as Zhang Yebo, revered by the butchers' guild; Medicine King Temple honored Sun Simiao, a legendary doctor, revered by those in the medicine trade; Two-God Palace was dedicated to Mei Fu and Ge Hong, revered by those in the dyeing industry; Xuannv Palace honored the Yellow Emperor's consort, revered by those in the silk and weaving industry; Xuanhua Palace was dedicated to Gongshu Ban, also known as Lu Ban, revered by carpenters and stonemasons.¹

According to the 1948 edition of *Liling County History*, "the Guangdong Guild Hall, also known as Nanhua Palace, worshipped the Sixth Patriarch Huineng of Zen Buddhism."²

Other guild halls, such as those of Huguang (Hubei and Hunan), venerated Yu the Great, and the Guangxi Guild Hall worshipped Wen Tianxiang, a patriotic poet and scholar from the Southern Song dynasty.³

The worship of the common deities in the guild halls helped to strengthen solidarity and facilitate collective action in business endeavors.

The functions of merchant guild halls can be summarized in three main aspects:

1. Social and Emotional Support. They provided a place for fellow townsmen to gather, socialize, and maintain their regional identity, easing homesickness and fostering a sense of community. 2. Charitable Activities

1 Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.192-194.

2 Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.195.

3 Wang Di, *Stepping Out of the Closed World: A Study of Upper Yangtze Regional Society*. Zhonghua Book Company, 1993.

and Mutual Aid. They offered financial assistance and support for those in need, helping alleviate the hardships of living and working away from home.

3. Collective Defense and Economic Collaboration. They united members to collectively confront competition and discrimination from local merchants, enhancing their ability to succeed in foreign markets.¹

An example of this is the Ningbo Guild in Wenzhou, which outlined in its regulations the purpose of a guild to protect its members from local hostility and economic challenges:

For a century, Ningbonese have been present in every province and district. As natives of a coastal region where farming cannot sustain us, we have traveled to distant lands to engage in trade. In Wenzhou, far from home, we often face hostility and mistreatment from locals, leaving us without proper recourse. These challenges cause individual businesses to struggle, resulting in dishonor and harm. This isolation is the inevitable consequence of working alone. Therefore, we have established this guild to offer support and solidarity.²

This highlights the necessity of uniting to confront external competition and discrimination. The success of Ningbo merchants in Shanghai, aided significantly by the well-funded Ningbo Guild Hall (Siming Public Office), exemplifies the importance of such organizations. The rise of the renowned merchant Yu Zhicheng, from a penniless apprentice to a prominent business leader in Shanghai, was largely due to the support of the Ningbo Guild.

Business Philosophy and Practices

As commercial competition intensified, merchant guilds began placing greater importance on their reputations in local markets. As a result, both formal and informal codes of conduct gradually emerged. For instance, the Jin merchants placed great importance on commercial credibility. A notable Jin merchant, Fan Yongnian, was well-known for his integrity and was thus

1 Ma Min, *Between Officials and Merchants: Modern Gentry and Merchants in a Time of Social Upheaval*. Tianjin People's Publishing House, 1995, p.179.

2 Macgowan, Daniel Jerome. *Chinese Guilds*. In *Collected Historical Materials on Chinese Industrial and Commercial Guilds (Volume 1)*, p.5.

avored by the Qing dynasty, turning himself into an “imperial merchant.” Within the guilds, there was a strong emphasis on educating members in professional ethics, including qualities such as trustworthiness, sincerity, moderation, integrity, loyalty, selflessness, altruism, hard work, and frugality. As a result, instances of commercial misconduct among members were rare. If someone failed to uphold moral standards, they would be despised by their peers and lose the opportunity to conduct business, making it difficult to return home with honor. This peer pressure ensured everyone adhered to ethical standards.

Huizhou merchants, known for their moral teachings of “honesty,” “trust,” “righteousness,” and “benevolence,” gained excellent reputations in the business world, which in turn promoted the growth of commercial capital. For example, Zhang Zhenghao, a merchant from Jixi during the Qing dynasty, was renowned for his integrity and saw his business flourish as a result.¹ Mei Wenyi from Shexian was “honest in his dealings, believing in others’ honesty even when he was deceived, often resulting in unexpected profits.”² Bao Shichen, a merchant from Shexian, became widely known for his honesty in returning lost money. As a result, “his reputation grew significantly.” “Over time, more people sought to befriend him, and some loaned money to him at low interest rates. This allowed him to manage his funds wisely and expand his business across various regions. When people from all over heard of his arrival, they competed to sell him their goods,”³ so he made great wealth.

Similarly, Shandong merchants had to establish partnership contracts when engaging in partnerships during the Ming and Qing dynasties. At the same time, they would “invite relatives and friends to witness the signing of the contract, and upon dissolution of the partnership, another contract would

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

be signed,”¹ to demonstrate their commitment to honesty and trustworthiness. In the Kangxi era, Zuo Wensheng, a merchant from Laiyang, was known for his “honesty and integrity.” Merchant Zhou Jixian loaned 200 taels of silver to Wensheng at an interest of 2%. Later Wensheng found that due to market fluctuations, the profits were doubled. So Wensheng handed the double amount to Zhou, who said, “We have agreed on the fixed rate, I dare not take more.” Wensheng replied, “You entrusted me with your money, how dare I profit personally.”²

Each merchant guild had its distinctive business practices. Jin merchants commonly adopted the partnership model, where partners might not necessarily invest capital but still share the profits as active participants in the business operations. Jin merchants would often provide the initial capital and then enlist trustworthy individuals as partners, entrusting them with significant business responsibilities. These partners would then diligently fulfill their roles. According to Shen Sixiao, a writer in the Ming dynasty, Pingyang, Zezhou, and Lu’an prefectures were home to the wealthiest merchants, who were considered rich only if they had at least hundreds of thousands in assets. These merchants valued integrity and mutual trust; one person would provide the capital, and the others would join as partners in the business. Although they did not take oaths, there was absolutely no embezzlement. If a grandfather died before repaying a loan, the descendants, upon learning of their ancestor’s debt, would diligently work to repay it even if they were born decades after the death of the borrower. Consequently, wealthy capitalists competed to hire such trustworthy people as their business partners. Thus, regardless of one’s capital, anyone could partner in business, and the wealthy did not hoard their savings at home but distributed them among their partners. Knowing the number of one’s partners, both major and minor, we can easily calculate his assets. It’s not hard to find a person with hundreds of thousands in assets.

1 “Customs”, *Changqing County History of Republic of China Era*, Volume 2.

2 “Biographies”, *Laiyang County History of Kangxi Era*, Volume 8.

Jin merchants primarily engaged in long-distance trade. Due to poor natural conditions in Shanxi with numerous mountains and few rivers, they “sought wealth thousands, or even tens of thousands, of miles away, rather than relying on local resources.”¹ They transported grain from regions such as Hunan, Hubei, Suzhou, and Hangzhou to grain-deficient areas like Yunnan and Shanxi. It was said that the largest and most well-capitalized grain store in Beijing had been established by a wealthy Shanxi merchant named Yuan Baiwan. Yuan Baiwan claimed, “Above is the old Heaven, below is Yuan Baiwan. Even if it doesn’t rain for three years, there are still ten thousand stones of grain in my storage.”

Jin merchants were also major players in the long-distance transport of cotton cloth and tea. Zhong Wo, a Qing dynasty writer, mentioned in his *Miscellaneous Essays on Trade* that during the early Qing dynasty, Jin merchants handled all tea trade. They transported tea from Jiangxi through Henan to sell it beyond the Great Wall. Starting around the 30th year of Qianlong’s reign, Jin merchants gradually established a land-based international tea trade route. With Shanxi and Hebei as hubs, the route crossed the Great Wall, spanned the Mongolian steppe, and extended through Siberia to reach Europe. For example, the transportation route of Wuyi tea from Fujian involved several stages: starting from Chong’an County in Fujian, passing through Fen Shui Guan, entering Jiangxi’s Yanshan County, then down the Xin River to Poyang Lake, crossing the lake to Jiujiang, going upstream the Yangtze River to Wuchang, transferring to the Han River to reach Fancheng (Xiangyang), and then went overland through Henan into Zezhou (Shanxi Jin City), passing through Lu’an (Changzhi), to Pingyao, Qixian, Taigu, Xin County, Datong, Tianzhen, and finally to Zhangjiakou, continuing across the Mongolian steppe to Kulun (Ulaanbaatar), and then to Kyakhta. This journey combined water and land transport, covering vast distances.²

Shaanxi merchants were particularly known for their courage and

1 “Livelihood”, *New Annals of Wutai, Guangxu Era*, Volume 1.

2 Zhang Zhengming. “Tea Trade Routes in the Qing Dynasty”, *Guangming Daily*, March 6, 1985.

adventurous spirit. To conduct business, they often ventured into the sparsely populated and occasionally bandit-infested regions of Gansu, Qinghai, Ningxia, Xinjiang, and western Sichuan. For instance, during the Ming dynasty, the Hexi Corridor in Gansu was close to hostile territories, necessitating armed escorts for merchant caravans. Even during the unified Qing dynasty, merchants traveling in the northwest often encountered bandits and needed armed protection. Thus, trading in these regions necessitated martial skills and bravery. For example, in the Zhengde period of the Ming dynasty, Wang Yao, a merchant from Puzhou, Shanxi, traded cloth and silk, traveling with other merchants to Zhangye and Jiuquan. While passing through a certain area in Hexi, they suddenly encountered bandits. Acting quickly, they “formed a defensive circle with their mules and horses, drew their bows and swords, and defended themselves at the foot of the city wall.” After a brief fight, the bandits fled, leaving their goods unharmed, allowing them to continue their journey.¹ Another example is Li Yuefeng from Fuping, who transported grain to northern Shaanxi and was renowned for his martial prowess. “Skilled in horseback riding and archery, he traveled through desolate borderlands, pulling a strong bow and riding a swift horse. Bandits and troublemakers fled at the sight of him.” He transported grain safely and without incident, and other merchants “sometimes used his name for protection.”² This form of armed trade was a notable characteristic of the Shaanxi merchant guilds.

Shaanxi merchants also had their distinct business practices. For long-distance trade, they often set up purchasing stations at the source and used local shops to collect goods. At the destination, they frequently employed consignment sales. For instance, Shaanxi fur traders would bring furs to Suzhou each autumn, consign them to local major shops, and return the following spring with straw hats, which they would also consign. They

1 “Epitaph for Wang Gong, Assistant Director of the Henan Division, Ministry of Punishments”, *Complete Works of Han Yuanluo*, Volume 5,

2 Li En’du (Qing Dynasty). “Biography of My Late Father, Mr. Li Gong Xiaozhen”. *Collected Writings of the Shouqi Hall*, Volume 4.

would then collect the previous autumn's fur sale's proceeds in the spring and continue this cycle, known as the "chain method."¹

The renowned Dongting merchants from the Suzhou area, known as "sky-reaching Dongting merchants", employed three main business models: sole proprietorship, capital management, and partnership. The "capital management" model was particularly notable. According to *Customs of Linwu*, "Dongting merchants mostly borrowed from wealthy families instead of having their own business capital."² If a merchant encountered difficulties, they could obtain small capital support from others "even without the need to ask."³ Wealthy merchant Xi Benzhen engaged extensively in commercial trade and also lent capital to fellow townsmen. Whoever the creditor was, the common practice was a 30-70 profit split, with the financier taking 70% and the manager 30%, or sometimes an equal split. This "capital management" system involved the wealthy providing capital and the poor providing labor, with profits or losses shared according to agreed terms, differing from typical loan arrangements. Since financiers received a relatively high share of commercial profits, they were eager to invest their capital for profit. However, due to the risk-sharing aspect, they were also cautious, emphasizing the moral character and business acumen of those they funded.

Most Jiangxi merchants turned to commerce, abandoning agriculture or Confucian studies due to poverty. They typically started by trading local specialties far from home. While their usual business model was individual trading, they often formed temporary alliances with fellow villagers or colleagues for mutual support. These alliances allowed for independent management, with each merchant retaining ownership of their funds and goods. However, if someone suffered losses or encountered misfortunes, others would help. For example, when Zhang Chongyu from Pengze was doing business in Yancheng, Northern Jiangsu, several fellow townsmen were

1 *China's Ten Major Merchant Guilds*. Huangshan Publishing House, 1993.

2 Wang Weide (Qing Dynasty). "Receiving Documents", *Customs of Linwu*, Volume 7.

3 Wang Weide (Qing Dynasty). "Support", *Customs of Linwu*, Volume 7.

imprisoned in an incident. The jailers extorted them, and unable to endure the suffering, they were desperate for help. Upon hearing of their plight, Zhang Chongyu used all his resources to contact a fellow townsman who held an official position in a nearby county. He asked him to bribe the authorities on their behalf, and successfully secured the release of six prisoners. After their release, one of the men fell ill and died, prompting Zhang Chongyu to purchase a coffin and arrange for his burial¹. As Gu Yanwu said, “When fellow townsmen are in trouble, one should act as if personally involved, contributing money and effort to help them”². (*History of Zhaoyu*) A similar account from the *History of Ruicheng Prefecture* (Tongzhi period) tells of Liang Maozhu, a merchant from Gao’an, who was trading by boat with two friends. As they anchored for the night on Dongting Lake, bandits attacked the boat, wielding knives and demanding money. Liang handed over all of his own money. When the bandits turned to his two companions, Liang convinced them that the men were his brothers, leading the bandits to leave.³ This incident shows that although these individual merchants operated independently, they still faced hardships together.

The Fujian merchant groups during the Ming and Qing dynasties were notable for their dual role as both traders and pirates. In the mid-Ming period, the emergence of local merchant groups (primarily sea merchants) directly challenged the official tribute trade and maritime prohibition policies. To develop overseas trade, Fujian merchants had to struggle against the government’s maritime bans either publicly or secretly, hence their dual characteristics of pirates and merchants. When the maritime bans were relaxed or lifted, they conducted commercial trade between the East and West and along the Chinese coast as merchants. However, when the bans were strict, they turned from merchants into pirates, engaging in looting and killing. Ming scholar Xie Jie pointed out, “Pirates and merchants are of the same

1 *China’s Ten Major Merchant Guilds*. Huangshan Publishing House, 1993.

2 *China’s Ten Major Merchant Guilds*. Huangshan Publishing House, 1993.

3 Gu Yanwu, *History of Zhaoyu*, Volume 3.

people. When trade is allowed, pirates turn into merchants; when trade is banned, merchants turn into pirates.”¹ The change between pirates and merchants entirely depended on how strict the government’s maritime trade policies were.

In the early period of Jiajing’s reign, the Ming government abolished the maritime trade offices, enforced strict maritime bans, and cut off tribute trade with Japan, resulting in “treacherous nobles engaging in internal conflicts, and the sea being in constant turmoil.” In 1547, Zhu Wan, the governor of Zhejiang and Fujian coastal defense, captured over 90 sea merchants and executed them publicly, causing widespread fear and severely disrupting the livelihoods of coastal merchants and residents. Those who depended on the sea for their livelihood refused to succumb to poverty and thus rose in rebellion. In the late Ming period, to prevent Dutch colonial incursions and guard against Japanese pirates, Fujian’s coastal areas once again enforced strict maritime bans, leading to a resurgence of piracy. As noted by Fujian native Fu Yuanchu in his *Petition to Lift the Maritime Ban*, “The sea is the farmland for the people of Fujian. Coastal residents, with no means of livelihood, are often forced into piracy during times of famine. With a strict maritime ban, they are unable to make a living and would turn to plundering the coast, causing widespread destruction.” During the Wanli period, the Lin Feng Ocean Commerce Group engaged in both smuggling and raiding in Guangdong, Fujian, and Taiwan, strengthening into a significant armed force at the time. During the reign of Tianqi and Chongzhen, the Liu Xiang Group from Haicheng “plundered merchant ships, grew rampant with thousands of followers and over a hundred ships, killing and injuring government troops, and wreaking havoc in eastern Guangdong, Jieshi, and Nan’ao.” Eventually, they “dominated the seas with tens of thousands of followers and over a hundred ships.”²

The Zheng maritime merchant group exemplifies the dual nature of

1 *Compendium of Japanese Pirates in Qiantai*, Volume 1.

2 Jiang Risheng. *Unofficial History of Taiwan*, Volume 1.

Fujian commerce and piracy. In 1626, Zheng Zhilong plundered Fujian and Guangdong, attacking the old town of Zhangpu. He stationed troops in Kinmen and Xiamen, recruited thousands of followers, and coerced wealthy families into contributing what he called “water taxes.” The following year, Zheng’s forces attacked Minshan, Tongshan, Zhongzuo, and other places, defeating government troops. Although Zheng Zhilong later accepted a government position, he kept his armed forces to protect his economic interests. This dual nature of Fujian maritime merchants—both traders and pirates—was a kind of resistance against the government’s maritime bans and a reflection of their primitive nature as well.

The business activities of Huizhou merchants heavily relied on the power of feudal clans. For instance, both traveling merchants and stationary traders from Huizhou skillfully leveraged clan influence to establish commercial monopolies, either by controlling all trade in a particular town or dominating an entire industry. In Hankou, the Wuyuan merchant Cheng Dong was known for “his business success and acquisition of property”. He “allowed relatives and fellow townsmen to stay for several months without charging for food and even helped them find jobs.”¹ Wucheng Town in Jiangxi was known as a “hub of Huizhou merchants,” where the Yixian merchant Zhu Chengxun would “assist fellow villagers in finding employment”, “make job recommendation according to their abilities”², leading to an increasing concentration of clan members and growing influence.

Huizhou merchants also had clan support in the trade monopoly. For example, in the pawnshop business, clan members would collectively use their substantial capital to lower interest rates and drive out weaker competitors. Originally, most pawnshops in Nanjing at the end of the Ming dynasty were operated by merchants from Fujian and Huizhou. As Fujian merchants, with smaller capital, charged high interest rates of 3-4%. In contrast, the Huizhou merchants, backed by substantial funds, reduced interest rates to 1-2%, rarely

1 *Compilation of Zhengyuan County.*

2 *The Three Histories of Yixian County (Tongzhi Period)*, Volume 7.

exceeding 3%, eventually driving out the Fujian merchants. The Huizhou merchants earned a reputation for “benefiting the poor” due to their lower interest rates.

Huizhou merchants also utilized the clan system to manage their employees. Major Huizhou merchants operated across extensive regions, requiring numerous staff members. Yu Yue’s *Notes from the Youtai Xianguan* records that Huizhou merchant Xu had “over forty pawnshops employing nearly two thousand people.” These employees included agents, assistants, accountants, clerks, and laborers, often recruited from within the clan or community. The merchants emphasized “loyalty and trustworthiness” and controlled their staff through clan hierarchy and discipline. Huizhou merchants in Yangzhou were particularly numerous, they “give support to family members internally, care for the neighborhood externally.” *Records of Yangzhou Pleasure Boats* noted that “the Wu family, a prominent Huizhou lineage, had branches in various villages such as Xixinan, Nanxinan, Changlinqiao, Beian, and Yanzhen. Those residing in Yangzhou named their branches after the villages they came from.”¹ Even when living away from their hometowns, Huizhou merchants did not forget to build ancestral halls and worship their ancestors. As described in *The Preface to Wang Family Genealogy*:

Our Wang family has branches across the country, particularly flourishing in Yangzhou, where many have engaged in the salt trade in the north and south regions of the Huaihe River. Since our family members living in Yangzhou could not return to their hometowns annually for ancestral rites, they built a public ancestral hall. Every spring and autumn, family members were instructed to present offerings and seasonal foods, with designated family members in charge of these tasks each year. Over several decades, the family prospered, and the rituals and ceremonial items have never been neglected.”

Huizhou merchants placed great importance on honoring their ancestors, aiming to use their status as family heads to manage clan members and

1 Li Dou. *Records of Yangzhou Pleasure Boats*, Volume 13.

maintain social hierarchy through familial bonds. For example, Wu Rongrang, a Huizhou merchant, began his business journey at sixteen by working with relatives in Songjiang. Due to his adept business skills, he quickly established his own enterprise. In Jiaoshan, Tonglu, Zhejiang, he “built an ancestral hall, dedicated it to his clan, and allocated fields to fund ancestral rites as per tradition.” He also “gathered impoverished family members, employed and fed them, and treated them as his own, totaling dozens or even hundreds.” On the first and fifteenth of each month, he would assemble his staff, “read out the Yan family instructions in the courtyard, and the clan members, dressed in uniform, would await orders in the courtyard, making this a regular practice.”¹

Additionally, Huizhou merchants leveraged clan influence to form alliances with officials, seeking political support to further their commercial interests.

Section Two Trade Guilds

The evolution of merchant organizations from geographically based associations to industry-based associations marked significant progress in Chinese commercial history. What exactly is a trade association? Professor Peng Zeyi defines it as follows: “A guild is a trade organization based on traditional connections of trade or region, and relying on trade rules and established customs as a source of authority in a feudal system.”² In a city, there are guild halls founded by foreign guest merchants, and there are also guild halls built by local merchants of the same trade. The former has a greater need for an organized association than the latter, as they can unite fellow merchants from the same place to protect their common interests. Therefore, a guild can either be a group of merchants from the same hometown living in a

1 Wang Daokun. “Epitaph for the Joint Burial of the Late Scholar Mr. Wu and Lady Chen”, *Taihan Collection*, Volume 47.

2 *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.18.

foreign land or an association of guest merchants in the same trade. In the last section, we focus on regional guilds, and now we will primarily discuss trade-specific guilds.

As early as the Tang dynasty, trade-specific commercial organizations began to emerge. Tang market regulations required merchants of the same trade to operate in designated areas, fostering close interactions and shared interests, which gave rise to their organizations. Trade leaders and deputies, chosen by their peers and approved by the government, managed internal and external trade affairs. Their responsibilities included handling government-assigned tasks, deciding on market policies, setting trade strategies, and organizing religious activities. During this period, common trade languages also developed within these industries.

During the Southern Song period, the old urban zoning system was disrupted, and trade-specific guilds became increasingly prominent. “In the capital alone, there were 414 different trade guilds.”¹ Similar organizations, known as “hang” (trade) or “tuan” (group), were established in many other prefectures and counties. In the markets, “all businesses were organized into trade guilds regardless of the size.”² The duties of the guild heads during the Song dynasty were similar to those in the Tang dynasty, which included assisting the government in taxing, conscripting, hiring, and stabilizing prices, as well as monitoring illegal activities. They also represented their trade guild in dealings with officials, coordinated the production and sale of goods, set prices, handled other guild-related issues, and organized worship activities.

From the 1270s to the late 1290s, Hangzhou had twelve trade-specific guilds. For example, the Tongsheng Temple, established during the Song dynasty in Zhongqingli, Renhe County, served as a gathering place and shrine for the silk weaving guild in Hangzhou. The brewing guild established the Wine Immortal Temple in Hengjin Town in the second year of Yuanfeng

1 “Various Markets”, *Record of Prosperity by the Old Man of West Lake*. Shanghai Classical Literature Publishing House, 1959, p. 125.

2 Wu Zimu. *Mengliang Lu (Records of Linan)*, Volume 13.

(1079), dedicated to Du Kang and Yi Di. The silk weaving guild also established the Jishen Temple, named Xuanyuan Palace, in Xiangfu Temple Lane in the first year of Yuanfeng (1078).

After the Song dynasty, the scale of these organizations grew with the development of craftsmanship and commerce. During the Ming dynasty, particularly in the Jiajing and Wanli periods, merchants from various provinces financed the construction of guild halls in Beijing. This reflected the growing need for formal organizations to manage increasingly complex commercial activities. By the Qing dynasty, these trade guilds had matured, establishing systems and regulations that offered insight into their purposes and functions.

For example, the Guangzhou trade association in Beihai had the following words in the preface to its charter:

The people of Beihai are greedy and lawless by nature. The rampant theft causing much distress for our merchants. When disputes arise between us and local merchants, it is impossible to negotiate with them.

This charter aims to unify the views and actions of our members, who share the same regional ties, to uphold our ancestral trades without falling into disrepute. By working together sincerely and standing firmly against corrupt practices, we hope that those who are dishonest will avoid us, saving themselves the trouble.¹

So trade guilds primarily served two purposes: one is to safeguard the interests of guild members from external infringements, and the other is to regulate the business conduct of its members.

Regarding the management of trade guilds, here is an excerpt:

Trade guild staff consists of a chief manager and a committee. Committee members are elected annually and can be re-elected indefinitely. In larger trade centers, each trade holds a seat on the committee, similar to the setup in Ningbo. The Fujian trade guild

¹ Macgowan, Daniel Jerome. *Chinese Guilds*. In Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds (Volume 1)*. Zhonghua Book Company, 1995, p.6

features three distinct departments: sugar, timber, and sundry goods. Additionally, it has branches in several other regions (prefectures and states). In smaller ports, management duties are rotated among committee members. The most important staff member is the executive secretary, a person from the gentry class who makes a living as a professional writer and receives a salary. Owing to his status as a legal advisor, he has the authority to meet with local officials. As the trade guild's representative, he holds an official position recognized by the authorities. He serves as the intermediary between the government and the trade association, appearing in official offices as the lawful representative of the trade association, advocating for its interests, seeking compensation for any members who suffer losses, and protecting his clients when necessary.¹

This demonstrates that trade guilds functioned as autonomous institutions for merchants.

Trade guilds were generally funded through internal taxation, where members were taxed on the goods they sold, averaging about one-thousandth of their sales value. Some guilds applied differential tax rates; for instance, in Wenzhou, Ningbo guild members selling medicinal materials were taxed at a rate of eight coins per thousand coins of sales, while those trading in bean cakes were only taxed at two-tenths of a percent.²

Trade guilds acted as arbitration bodies for commercial disputes, enforcing their own commercial rules to limit litigation. One guild regulation stated:

All financial disputes among members must be submitted to the guild for arbitration. The guild will strive to reach a satisfactory resolution. If no agreement can be reached, the relevant parties can make appeals to the local government. However, if a plaintiff bypasses

1 Macgowan, Daniel Jerome. *Chinese Guilds*. In Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds (Volume 1)*. Zhonghua Book Company, 1995,

2 Macgowan, Daniel Jerome. *Chinese Guilds*. In Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds (Volume 1)*. Zhonghua Book Company, 1995, p.7, 9-10.

the guild and directly approaches the government, he will be publicly condemned and barred from future assistance from the guild.¹

This underscores the guild's authority to resolve financial disputes and mediate general conflicts among members.

Guild regulations also included provisions for joint boycotts:

If a member is expelled or if a business is expelled by its peers, all transactions with them must cease. Any member who continues to trade with them, regardless out of sympathy or friendship, will be fined one hundred taels of silver.²

Such rules were established to uphold commercial reputation. The preamble of the Xiamen-Fujian sub-guild in Ningbo emphasized the importance of trade ethics:

It is said that well-managed trade can yield triple profits, but a person who keeps his words is even more respectable. For years, we have traded harmoniously in Ningbo, but commercial ethics have declined since the Taiping Rebellion. Now that peace has returned, we must re-establish our regulations and eliminate past abuses to make greater achievements and ensure lasting prosperity. Commercial rules based on reason facilitate harmonious coexistence within the industry.³

Guild regulations almost universally advocated for honest business practices and strictly prohibited underhanded practices like deceiving customers, mixing inferior goods with quality ones, or any form of cheating. Violations of these rules often resulted in severe penalties. For instance, the regulations of the tea guild in Xinhua, Hunan, had the following rules:

1. Tea Picking: Only the first-picked leaves before the Grain Rain (a traditional Chinese solar term, usually around April 20) were

1 Macgowan, Daniel Jerome. *Chinese Guilds*. In Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds (Volume 1)*. Zhonghua Book Company, 1995, p.7, 9-10.

2 Macgowan, Daniel Jerome. *Chinese Guilds*. In Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds (Volume 1)*. Zhonghua Book Company, 1995.

3 Macgowan, Daniel Jerome. *Chinese Guilds*. In Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds (Volume 1)*. Zhonghua Book Company, 1995.

considered top-grade, with subsequent pickings being lower in quality. The guild committed to using only the best leaves regardless of cost.

2. Sun-Drying: Tea leaves had to be sun-dried to achieve a glossy appearance; stove-dried or kiln-dried leaves were not allowed.

3. Sorting and Cleaning: Old leaves and stems, which were visually unappealing, had to be meticulously sorted out to ensure quality.

4. Color: The sun-dried tea should have a vibrant color, known as “precious light,” which couldn’t be achieved through artificial means. Only fresh, dry, and unblended teas were acceptable. It’s the duty of this guild to distinguish the old, wet and mixed teas from the quality ones.¹

For those caught cheating, severe punishments were imposed. For example, in the regulations of the Anhua black tea guild:

1. Adulteration with Grass or Sand: Any household found mixing grass or sand into tea would have their product publicly burned.

2. Sprinkling Water: If a household was found wetting tea leaves after a deal, they would be punished and required to dry the leaves again, except in cases where the tea got wet during unavoidable circumstances like rain.²

Similarly, the guild regulations for the mountain goods trade in Yiyang stated:

All goods to be received must be dry and clean. Any wet goods or those mixed with sand, regardless of quantity, would result in a theatrical performance financed by the offender.³

Many guild regulations include standards for weights and measures. For

1 *Report on Hunan Commercial Customs: Commercial Regulations.* In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.203-204, 215.

2 *Report on Hunan Commercial Customs: Commercial Regulations.* In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.203-204, 215.

3 *Report on Hunan Commercial Customs: Commercial Regulations.* In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.203-204, 215.

example, a rule from the salt guild in the provincial capital of Hunan states:

A public salt scale and weights are maintained at the annual manager's store. All members must regularly check and calibrate their scales to ensure consistency and prevent any discrepancies in measurement. If any differences in size or weight are found, they must be reported to the annual manager for a collective decision on penalties.¹

In another example, the regulations of sundry goods stores in Shaoyang stated:

Standard Rulers: Members must use standardized rulers, with yearly checks to ensure accuracy. Using shortened rulers would result in a fine of 4800 wen or a theatrical performance financed by the offender.²

Guild regulations frequently included provisions for honoring deities associated with their trade. For example, the charcoal guild in the Hunan provincial capital specified:

On March 15th each year, we sincerely celebrate the auspicious birthday of the God of Wealth. All public matters are managed by the elected annual manager, who rotates this responsibility.³

The regulations of the vegetarian halls in the provincial capital of Hunan clearly state:

On March 15th, April 15th, and June 24th, the auspicious birthdays of the God of Wealth, the Jade Emperor, and Lei Zu God, the annual manager of our guild must dress formally in the morning and evening to show sincere respect. All members are notified to worship and celebrate together according to the old rules. The responsibility rotates

1 *Report on Hunan Commercial Customs: Commercial Regulations*. In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.200.

2 *Report on Hunan Commercial Customs: Commercial Regulations*. In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.248.

3 *Report on Hunan Commercial Customs: Commercial Regulations*. In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.221.

*annually, and no one is allowed to shirk it.*¹

On the days of worship, everyone should demonstrate due reverence. For instance, the regulations of leather trunk shops in the provincial capital of Hunan explicitly require:

*On worship days, members must be dressed neatly and pray enthusiastically in the worship of the deities, refraining from smoking opium, gambling, drinking excessively, acts of violence, or violating the rules. Violators will be reported and punished collectively.*²

Interestingly, many trade associations impose penalties on rule violators that go beyond fines and often require performances to honor the gods.

For example, the ink shops in the provincial capital of Hunan state in their regulations: “Anyone who violates the rules will be collectively decided to sponsor a performance to honor the gods and host two banquets.”³ In the regulations of the Shaoyang import goods shops, four out of seven clauses stipulate that violators must “sponsor a performance to honor the gods.” The regulations of the mountain goods shops in the provincial capital of Hunan mention in six clauses that violators must “sponsor a performance to honor the gods.”

We believe that the requirement of financing a performance to “honor the gods” is likely based on the following considerations:

First, violating the guild rules means dishonoring the patron deity and gods. By honoring the gods publicly, the violators publicly show their repentance.

Second, ordering violators to pay for and organize a theatrical performance is intended to publicly admit the mistake to all members, serving

1 *Report on Hunan Commercial Customs: Commercial Regulations*. In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.243.

2 *Report on Hunan Commercial Customs: Commercial Regulations*. In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.273.

3 *Report on Hunan Commercial Customs: Commercial Regulations*. In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.291.

as a warning to others.

Traditional Chinese trade guilds had a strong feudal color. They imposed restrictions on production and sales or prohibited monopolistic and speculative practices through trade regulations. The goal was to maintain a balance within the trade, thereby preventing excessive accumulation of wealth. To prevent competition, trade associations fully leveraged the power of regulations, such as stipulating the density of similar shops, prices, the scale of operations and the number of employees.

For example, the trade regulations of the Huitong oil and wax guild in Hunan state:

Households that store oil must purchase from guild warehouses and are prohibited from making private, small-scale purchases.

Small oil guilds may sell small quantities of oil, under 25 kg at a time. For every 50 kg, a fee must be paid according to the posted regulations to cover operating expenses. If the amount reaches 100 kg or more, it must be sold through the main warehouse. Violators will be penalized.¹

The trade regulations for silk thread shops in the provincial capital of Hunan had restrictions on the number of employees:

Shop owners are allowed to hire up to ten master craftsmen, and up to five apprentices for six months of training.²

Similarly, the trade regulations for braid and silk ribbon shops in the provincial capital of Hunan state:

Shop owners can take on one apprentice for six months of training. Violators will be penalized.

Brothers, sons, and nephews who are apprenticing should follow

1 *Report on Hunan Commercial Customs: Commercial Regulations.* In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.227.

2 *Report on Hunan Commercial Customs: Commercial Regulations.* In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.254.

*the same rules for apprentices.*¹

In summary, the primary function of merchant trade associations was to regulate the buying and selling of goods through trade regulations. These regulations prevented members from “dumping their goods on the market” and restricted free competition among them. As a result, the obstacles imposed by the guild restricted the growth of merchant capital. However, it should also be noted that these trade rules helped standardize business practices, prevent conflicts within the associations and maintain a balance within the guilds.

Section Three Chambers of Commerce

Unlike the feudal guilds and guildhalls, the early 20th century saw the rise of chambers of commerce with a more bourgeois and democratic character. In 1896, Chen Chi, in his article *Continued Wealth of Nations*, proposed the establishment of a Ministry of Commerce and chambers of commerce to protect interests of merchants.² That same year, Zhang Jian advocated for a central commercial association in each province with local branches in each prefecture, overseen by governors.³ During the Hundred Days’ Reform, Kang Youwei repeatedly urged Guangxu Emperor to promote commercial education, run commercial newspapers, and establish chambers of commerce. However, due to the historical conditions at the time, these chambers were not established.

Unlike the guilds and guildhalls with feudal characteristics, the early 20th century saw the establishment of chambers of commerce with a bourgeois democratic character. In 1896, Chen Chi proposed in his article *Strategies for Continued National Wealth* the establishment of a Ministry of Commerce,

1 *Report on Hunan Commercial Customs: Commercial Regulations*. In Peng Zeyi (Ed.), *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1). Zhonghua Book Company, 1995, p.255.

2 Cited in Zhao Jing and Yi Menghong (Eds.), *Selected Materials on Modern Chinese Economic Thought*, Middle Volume, p.84.

3 *Collected Writings of Zhang Jizi: Record of Industry*, Volume 1.

chambers of commerce, “to address merchants’ concerns, promote commerce and protect commercial interests.” In the same year, Zhang Jian in his *On Chamber of Commerce* also proposed the establishment of chambers of commerce, advocating for “a central commercial association in each province and local branches in each prefecture, to be overseen and protected by the governors.” During the Hundred Days’ Reform, Kang Youwei repeatedly advised the Guangxu Emperor to promote commerce education, run commercial newspapers, and establish chambers of commerce. However, due to the unfavorable conditions at the time, chambers of commerce were not established.

At the turn of the 20th century, as Chinese national capitalism began to emerge, the early bourgeoisie increasingly felt constrained by traditional commercial organizations. They urgently sought the establishment of chambers of commerce—a new type of commercial organization to unify various industries and safeguard their interests. They proposed:

To promote commerce, it is essential to establish chambers of commerce. These chambers should be interconnected to form a larger network, thus creating a cohesive structure. Internally, they can relay merchants’ concerns to the government; externally, they can engage in commercial negotiations with other countries. Without establishing chambers of commerce, no progress will be made.¹

After 1898, commerce bureaus were gradually set up in many provinces as quasi-official institutions to manage industrial and commercial affairs. From 1902 onwards, commercial meeting offices or chamber offices were established in industrial and commercial cities like Shanghai, Guangzhou, and Hankou. In early 1904, the Qing court issued *Simple Regulations for Chambers of Commerce* with 26 articles, instructing provinces to establish chambers of commerce immediately. It stipulated that “in all areas with flourishing commerce, commercial associations should be established in both capital cities and trading towns; in less developed commercial areas, branches should be

¹ *Jiangnan Business News*, Issue 5 (March 11, 1900), reprinted from *Xinwenbao*.

set up.”¹ By the end of 1905, around seventy general and branch chambers of commerce had been established nationwide.

Chambers of commerce differed from traditional merchant and trade guilds in several key ways:

1. Membership and Structure

Merchant and trade guilds were typically formed by individuals from the same region or industry, with clear divisions based on trade, faction, or locality. These guilds did not represent all industrial and commercial entities within a city, maintaining strict boundaries and separations. In contrast, chambers of commerce were unified organizations that spanned across various industries and regions, bringing together all sectors of commerce in a city. Their primary goal was to unite scattered commercial interests and promote public welfare among merchants. “In commerce, scattered individuals are brought together by chambers of commerce, and private disputes are fairly resolved through meetings and gatherings.”² Membership in a chamber of commerce generally required good conduct, sound judgement, active participation in local commerce, and being over the age of 24.³ For example, in 1905, the Tianjin Chamber of Commerce had 32 trade groups and 581 commercial establishments as members,⁴ and by 1908, the Suzhou Chamber of Commerce included 43 trade groups and 1,106 shops and workshops. This broad membership base made chambers of commerce more inclusive and extensive than traditional guilds.

The structure of merchant and trade guilds was relatively simple. Merchant guilds typically appointed a few directors to manage daily affairs and finances, with limited control over their members. Trade guilds, while enforcing rules on their members, lacked a complete structure and labor division, and had only a few clerks handling routine matters. In contrast, chambers of commerce were far more complex and well-structured. Their

1 *New Laws of the Guangxu Era of the Qing Dynasty*, Volume 16.

2 *Archives of the Suzhou Chamber of Commerce*, Volume 67.

3 *Archives of the Suzhou Chamber of Commerce*, Volume 3.

4 *Compilation of the Tianjin Chamber of Commerce Archives* (1903-1911).

hierarchical structure included ordinary members, full members, directors, and a general manager. Chambers also had specialized departments for general affairs, accounting, case inspection, secretarial work, auditing, discipline, and management, each with specific responsibilities. Furthermore, a general chamber of commerce oversaw its local branches, creating a systematic network of general chambers, branch chambers, and sub-offices.

2. Function

The basic function of merchant guilds was to connect fellow townsmen and provide mutual support among members. Trade guilds primarily aimed to protect their members' vested interests by establishing trade regulations and limiting both internal and external competition. Their responsibilities included standardizing prices, setting product specifications, distributing raw materials, controlling the number of apprentices and workers, and limiting the number of shops and workshops.

In contrast, chambers of commerce shifted away from these outdated practices that hindered industrial and commercial growth. Their goals were to “expand commercial rights,” “unite merchants,” and “enhance commercial knowledge.” Their functions included conducting market research, coordinating merchant relations, studying commercial trends, resolving disputes, upgrading products, expanding businesses, and advocating for commercial rights. Unlike traditional merchant and trade guilds, which suppressed innovation and competition, chambers of commerce actively promoted innovation and a competitive spirit.

3. Democratic Features

Traditional guilds and trade associations had a feudal character, marked by strict hierarchies and clan-based relationships, which stifled individuality and denied members corporate status. In contrast, chambers of commerce implemented strict democratic systems for elections, finances, and meetings. Leaders were chosen democratically through anonymous ballots, with annual elections. General managers and directors were elected by the board, directors by the members, and members by their peers. Votes were publicly counted

at the annual general meeting to ensure transparency and adherence to democratic procedures. Members enjoyed the right to vote, run for office, participate in decision-making, and offer suggestions. Externally, members were protected by the chamber; businesses registered with the chamber were listed with local authorities. “Any merchant facing charges due to minor debt issues will have the chamber seek bail to prevent detention”; “The merchants of our chamber must conduct themselves lawfully. Should there be any extortion or oppression by local ruffians or officials that disrupts commerce, the chamber will file complaints on their behalf”; “If there are any policies that are inconvenient for merchants, harmful to commerce, or traditional practices that actually hinder business, the chamber will work diligently to address and reform them.”¹ Of course, while enjoying these rights, chamber members and associates must also fulfill their obligations, such as paying dues, providing suggestions, and carrying out resolutions.

The chamber of commerce also had rigorous financial rules. Receipts were issued for all collected funds, with signatures from the president, vice president, and meeting directors. Monthly income and expenses were cleared and settled, with the accounting directors submitting reports to the president, vice president, and other directors for audit and signature. At the end of a year, two members elected by the entire membership would audit the accounts, which were then publicly announced by the president and vice president, and published in booklets distributed to members to ensure transparency and trust.

The meeting system of the chamber of commerce also reflected its democratic character. There were three types of meetings: annual meetings, regular meetings, and special meetings. The annual meeting was held in January and attended by all members to summarize the year’s work and elect new leaders. Regular meetings were held weekly and attended by all directors. Special meetings were held as needed to discuss urgent matters. Generally, the president and vice president were the top leaders and shouldn’t make

1 *The Complete Archives of the Suzhou Chamber of Commerce*, Volume 3.

major decisions alone; they must convene the directors or even the entire membership for discussion. Meetings required the attendance of more than half of the eligible members to form a quorum. Meetings emphasized “openness and full disclosure, gathering wide-ranging opinions. Members are encouraged to present their suggestions and engage in discussions to adopt the best ideas without prejudices.”¹ While regular members did not attend the weekly meetings, they can always “point out pros and cons and offer suggestions.”² For major issues, a special meeting would be requested by a joint petition of ten or more members.

Guilds typically enshrined deities that protected their hometown or trade, but chambers of commerce discarded these outdated practices. For example, the regulations of the Suzhou General Chamber of Commerce explicitly stated: “Any charitable activities that are not of major significance or essential importance (such as almsgiving, relief, or non-educational support) will not be funded by the chamber. Even if the budget allows, such proposals are not to be made in the chamber”; “The chamber will not cover any expenses for superstitious practices or prayers for blessings.”³ These regulations demonstrated the modern and democratic nature of chambers of commerce.

4. Financial and Meeting Systems

Trade guilds were closed and stagnant social organizations, while chambers of commerce were open and dynamic entities. Trade guilds lacked regular communication among members and between different levels. They were deeply constrained by outdated regulations and customs, making them unresponsive to changes in the external environment and resistant to innovation. Strong barriers between different guilds limited interaction. The closed and stagnant nature of guilds was most evident in their secrecy and monopolistic practices. For example, the Suzhou thread industry had long-standing regulations prohibiting the recruitment of apprentices outside the

1 “Approved Simplified Regulations for Chambers of Commerce”, *The Eastern Miscellany*, Issue 12.

2 *The Complete Archives of the Suzhou Chamber of Commerce*, Volume 3, p.26.

3 *The Complete Archives of the Suzhou Chamber of Commerce*, Volume 3, p.1.

family: “Guild members cannot take on apprentices; only fathers can pass the trade to their sons.”¹ Similarly, the regulations of tea houses in Changsha stated: “After three years of training, apprentices may take on their own students only with the consent of all shops. If an apprentice prematurely takes on students, he will be publicly expelled, and the shop owner will be fined.”²

In contrast, chambers of commerce operated differently. They facilitated extensive and frequent communication among members and departments. Unlike the guilds’ secrecy, chambers of commerce actively promoted the dissemination of technology. For instance, the Tianjin General Chamber of Commerce “publicly posted various market information daily for the benefit of all members”.³ Chambers of commerce were also open to other organizations. For example, the Suzhou Chamber of Commerce incorporated the Suzhou Sports Association and the Civic Commune; the Tianjin Chamber of Commerce incorporated organizations like All-Tianjin Water Corps, Shopkeepers’ Bureau, Civilian Patrol Bureau, Gentry-Merchant Protection Bureau, and Tianjin Public Security Association⁴.

In summary, modern chambers of commerce in China differ from traditional merchant guilds, guildhalls, and trade guilds, yet remain closely tied to these older organizations. This connection is clear from the fact that chambers of commerce relied on the personnel and financial resources of these traditional groups for their establishment and operation. Chambers did not emerge in isolation; they were formed by merchants who were already involved in earlier organizational structures. The new chambers had to navigate and integrate with these pre-existing networks.

For instance, the Suzhou Chamber of Commerce stipulated that merchant guilds paying annual dues of over 300 yuan could nominate one

1 “Golden Thread Trade Guild Agreement”. In *Jiangsu Inscriptions*, p.170.

2 Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds* (Volume 1), 8. Zhonghua Book Company, 1995.

3 Hu Guangming, “On the Nature and Role of Early Tianjin Chamber of Commerce,” *Journal of Modern History Research*, Issue 4, 1986.

4 Hu Guangming, “On the Nature and Role of Early Tianjin Chamber of Commerce,” *Journal of Modern History Research*, Issue 4, 1986.

to three members. These guilds could also submit a list of their members to the chamber. Furthermore, the key members of a chamber were often leaders of various merchant guilds, guildhalls, and trade guilds, and the influence of these old organizations was reflected in the positions within the chambers. The positions of president, vice president, and board directors were often dominated by the wealthiest and most powerful industries. For example, in the late Qing period, the presidents and vice presidents of the Suzhou Chamber of Commerce were consistently drawn from the pawn, banking, silk, and jewelry industries. Silk merchant You Xianjia served five terms as president, and banker Wu Ligao served five terms as vice president. The industries with the most representatives on the board of directors were also these major industries.

A collection notice from the Suzhou General Chamber of Commerce further illustrated this reality:

The commerce of Suzhou is flourishing. Apart from the guilds already enrolled in the chamber, many have yet to join, including major industries like pawning and grain trading. The managers of these guilds have already been elected to the board of directors, and their names have been submitted to the relevant authorities, but a final resolution and official membership list have yet to be established.¹

Thus, it is evident that chambers of commerce were based on existing trade guilds. In the late Qing and early Republican periods, modern chambers of commerce and traditional trade guilds coexisted and intermingled. This coexistence reflects a historical transition: traditional trade guilds gradually evolved into modern trade associations, while chambers of commerce expanded and restructured, emerging as the leading organizations in civil society. As a result, modern Chinese chambers of commerce developed from the context of China's semi-colonial and semi-feudal society.^{2 3}

1 *The Complete Archives of the Suzhou Chamber of Commerce*, Volume 36.

2 Ma Min & Zhu Ying. *Tradition and Modern Dual Variations: A Case Study of the Late Qing Suzhou Chamber of Commerce*. Bashu Publishing House, 1993.

3 Ma Min. *Between Officials and Merchants: Modern Gentry and Merchants in a Time of Social Upheaval*. Tianjin People's Publishing House, 1995.

Chambers of commerce were products of modern Chinese society, reflecting a development stage of Chinese industry and commerce. Chinese merchants were no longer at the bottom of the traditional “four classes” but a significant force in modern social reform as a class of its own. As Zhang Kaiyuan noted,

it was only after the establishment of chambers of commerce that the bourgeoisie (including gentry-merchants who had become bourgeois) truly had organizations of their own, a place to advocate and work for their class interests. They no longer acted as individuals or outdated trade guilds but as modern corporate entities interacting with the government and other social forces.¹

From merchant guilds and trade guilds to chambers of commerce, the establishment of chambers of commerce gave the bourgeoisie a true sense of collective identity, marking a significant milestone in China’s journey toward modernization.

¹ Zhang Kaiyuan. *The Xinhai Revolution and Modern Society*, p.181. Tianjin People’s Publishing House, 1985.

Chapter Five **Commercial Ethics**

Section One **Dishonest Merchants**

For a long time, the common belief has been that “no merchant is without deceit.” In their pursuit of profit, merchants were known to hoard goods to create scarcity, buy low and sell high, fabricate and falsify, shortchange customers, and use any means necessary to deceive. Even after accumulating wealth, they often failed to support the state in times of need or contribute to charitable causes in their communities. Instead, they indulged in lavish lifestyles, earning the anger and contempt of society. The behavior of unscrupulous merchants was indeed infuriating.

As early as the Han dynasty, merchants exploited the government’s lenient commercial policies to amass great wealth. They “became increasingly arrogant, often joining in powerful factions and dominating local residents with brute force.” During times of national hardship, they hoarded goods to create scarcity and sold them at exorbitant prices, “profiting from desperate people.” They “gained the favor of princes and officials with their wealth, wielding more influence than government officers. They traveled in luxury, their lavish caravans stretching for miles, adorned in silk and finery.” More despicably, they showed no compassion despite their riches. During Emperor Wu’s reign, when Shandong was hit by floods and famine, the emperor opened the national granaries to aid the starving populace, but it was insufficient. The

state had to borrow from wealthy merchants to “sustain over 700,000 people” for several years, leaving the state’s resources severely depleted. Meanwhile, these wealthy merchants, who could have helped, chose instead to exploit the situation further. They “hoarded wealth, exploited the poor, and controlled the local economies, forcing even nobles to rely on them. Engaged in lucrative industries like metallurgy and salt boiling, some amassed fortunes in the tens of thousands but refused to assist the state in its time of need, exacerbating the people’s suffering.”¹

The actions of these merchants left a profoundly negative impression on the feudal rulers, driving the establishment of policies that favored agriculture and suppressed commerce. Then there was a large-scale confiscation movement in which the state forcibly seized merchants’ assets. As a result, “many mid-to-large-scale merchants were ruined,”² a consequence seen as a just punishment for their unethical behavior.

A prime example of a greedy merchant from the Western Jin period is Wang Rong. Historical records described him as someone who “enjoyed profiteering, accumulating vast estates and water mills across the land, and amassing wealth without limit. He was known for personally managing his finances, calculating day and night, and constantly feeling it was not enough.” Infamously, he sold fine plums but deliberately damaged the seeds before selling them to prevent buyers from planting their own.³ Such meticulous greed made him widely despised.

In *Extensive Records of the Taiping Era* by Li Fang, there is a story about a merchant named Long Changyi from Luling. During a severe drought, Long Changyi hoarded thousands of bushels of grain, intending to maximize his profits as prices soared. Unsatisfied with the current price, he even composed a prayer to the gods for another month without rain. On his way back from the temple where he made his prayer, he was struck by a sudden storm and

1 “Treatise on Equalization”, *Records of the Grand Historian*.

2 “Treatise on Equalization”, *Records of the Grand Historian*.

3 “Biography of Wang Rong”, *Book of Jin*.

killed by lightning. When officials inspected his body, they discovered the prayer hidden in his hair. Years later, when his grandson was about to sit for the imperial examinations, locals—still outraged by Long Changyi's greed—reported the incident to the authorities, resulting in the grandson's examination eligibility being revoked.

Traditional merchants often made significant profits by running pawnshops and making high-interest loans. Making money from money itself was generally acceptable, merchants who became excessively stingy or harsh in their practices were frequently branded as “devious.” Ling Mengchu vividly depicted such a deceitful Huizhou merchant in his *First Series of Slapping the Table in Amazement*, capturing the common disdain for moneylenders of that time:

Master Wei was known for his extreme stinginess. When he first arrived in Nanjing, he ran a small pawnshop, using numerous unscrupulous methods to maximize his profits. For example, when others came to pawn items, he would use substandard silver, measuring it with a small scale that always came up short. When it was time to redeem the pawned items, he would switch to a larger balance, demanding the full weight and exact quality, and refusing to return the items if they were even slightly short. When customers came to pawn gold, silver, or jewelry, he would secretly replace it with a replica if he found the gold to be of high quality, swapping fine pearls for coarse ones and valuable gems for inferior stones. His dishonest practices were numerous and cannot be fully detailed here.

The Qing dynasty writer Shen Qifeng, in Volume 7 of *Humorous World* titled *The Ignorant Man's Instructions to the World*, also portrayed a deceitful merchant. This person claimed to possess “extraordinary methods to get rich,” stating, “First deal with the external thieves, then deal with the internal thieves.” He identified the five external thieves as the eyes, ears, nose, tongue, and body, emphasizing self-control and frugality as paramount. When asked about the internal thieves, he replied:

There are also five internal thieves: benevolence, righteousness, propriety, wisdom, and trust. Benevolence is the foremost evil; even sages like Yao and Shun struggled with it. I vow before my gods never to perform a single good deed needlessly, thereby avoiding a great deal of unnecessary expense. Commoners who act righteously often ruin themselves and their families. I, however, forget about virtue when profit is at stake, enjoying life to the fullest. As for propriety, the old tradition of reciprocation with gifts is overly burdensome. I take advantage without returning favors. Wisdom is something the creator disdains; it leads to emptiness. By remaining ignorant, I maintain a comfortable life. A promise worth a thousand taels of gold is utterly useless. I can speak generously while making secret schemes, ensuring that the world knows I am untrustworthy so that no one will seek my help. These are all methods to eliminate the internal thieves. Wealth will come easily if you understand and implement them thoroughly, without concern for reputation, shame, or criticism.

This blatant contradiction to Confucian ethics indeed shows his great cunning. However, the five key points he advocates likely assume one needs to possess wealth in the first place. Otherwise, if one is widely known as unkind, unrighteous, disrespectful, unwise, and untrustworthy, how could he amass a fortune?

The actions of deceitful merchants corrupted societal morals. For instance, in the late Ming dynasty, counterfeit silver was particularly rampant in Guangdong. Qu Dajun's *New Words of Guangdong* records: "Petty traders in the marketplace engage in deceitful practices, such as adding tin to the edges, hollowing out the interior, sprinkling iron filings on the surface, embedding copper in the corners, or using white copper and chemicals to create fake silver. These forgeries are particularly misleading." These counterfeits, particularly square and hard ingots from places like Zhangzhou, were especially misleading. In response, many commercial guilds during the Ming and Qing dynasties established regulations to combat fraud and penalize

dishonest practices.

Bureaucrats engaging in commerce, or merchants with close ties to the government, often exploited monopolistic state policies and privileged access to military information to hoard goods and reap exorbitant profits. “Treatise on Food and Commodities” from the *Book of Sui* mentions that some officials colluded with wealthy merchants to make huge profits. “Whenever there was an urgent levy or conscription, local officials would first buy the goods cheaply, then announce the requisition, selling them at a high price. The prices would multiply several times just within a single day, and they would extort and collect, completing the requisition promptly.” On one occasion, feathers were urgently required. The sudden demand left the people scouring land and water for birds, yet they could not meet the quota and had to “buy from the hoarded stocks of the wealthy, causing prices to soar. That year, pheasant tails cost ten bolts of silk, and white egret feathers were half as much.”¹

While unscrupulous merchants might temporarily succeed and reap huge profits through deceitful practices, in the long run, such crooked methods inevitably led to exposure and financial ruin. True merchants, on the other hand, adhered to ethical business practices and valued their reputations. China has long distinguished between honest, reputable merchants and greedy, deceitful ones, each driven by their own motivations.

Section Two Commercial Ethics

In his book *The Protestant Ethic and the Spirit of Capitalism*, Max Weber argues that the driving force behind Western merchants’ pursuit of wealth was the so-called “protestant ethic.” This ethic embodies the spirit of capitalism, suggesting that “the only way to please God is not through asceticism but by fulfilling one’s worldly duties and obligations.”² For merchants, the “calling”

1 “Treatise on Food and Commodities”, *Book of Sui*.

2 Max Weber, *The Protestant Ethic and the Spirit of Capitalism*. Sanlian Bookstore, 1987, p.59.

was to make money diligently, with accumulated wealth being a testament to their success and divine favor. Such merchants were expected to embody virtues like hard work, honesty, frugality, and rational living.

Did traditional Chinese merchants have their own business ethics? And what motivated them to pursue wealth?

As early as the Shang dynasty, merchants were quite active. “They harnessed oxen to carts and traveled far to trade, using their earnings to support their parents,” indicating that commerce was merely a means of livelihood. Zigong, who became wealthy through trade, likely did so to sponsor scholarly activities and provide funds for his teacher Confucius to travel and promote the teachings of “benevolence” and “propriety.” Tao Zhugong, who abandoned his official post to become a merchant, amassed considerable wealth three times in nineteen years, only to give it all away each time, showing he was not driven by greed. Zheng merchant Xuan Gao’s story is particularly telling. While traveling for business, he encountered an invading army and, using his quick wit, pretended to be an emissary of the Zheng state, offering his trade goods to the enemy to buy time for the army of his homeland. When the ruler of Zheng offered him a reward, he refused, explaining that gaining rewards through deceit would degrade the state’s reputation. He stated, “If deceit is rewarded, the state will deteriorate. A nation without integrity is doomed. Rewarding one person while ruining the state’s customs is something a wise person would never do.” After this, he retired to the Eastern Yi region and never returned. This act of integrity and patriotism made him a model for merchants across generations.

Prominent pre-Qin merchants like Tao Zhugong and Bai Gui practiced ethical commerce, upholding principles of fair trade, modest profit margins, and acts of benevolence. Their business philosophy has been venerated and followed by successful merchants throughout Chinese history. It is obvious that China has always had its share of honest, trustworthy, and philanthropic merchants.

However, in traditional agricultural societies, where the commodity

economy was underdeveloped, merchants had a low social status, and those engaged in commerce were often not well-educated. Consequently, their activities were rarely reflected in historical records. It wasn't until the Ming and Qing dynasties, when a large number of scholars abandoned their literary pursuit for commerce, that the educational level of the merchant class improved significantly. These scholar-turned-merchants also became advocates for their class. For example, Huizhou merchant Wang Daokun's *Taihan Collection* documents the business activities and philosophy of merchants. Establishing commercial ethics demanded merchants become more self-aware.

As more scholars transitioned into commerce, society began to view merchants with greater respect, and the profession gained a newfound dignity and significance. Wang Yangming noted, "The four classes have different roles but follow the same path." Engaging in commerce not only helped scholars "establish a financial foundation for the family" but also "build a lasting legacy." As a result, merchants cultivated a strong sense of professionalism and self-respect, placing great value on their "reputation" and "virtue."

For instance, a major salt merchant, Wu Shiyong, was once involved in a situation where his accountant borrowed 16,000 strings of money in Wu's name and couldn't repay it. When someone suggested to Wu that the accountant should be responsible for the debt, Wu replied:

Why do people trust me with tens of thousands of strings? It is because they believe in my reputation. If my colleague oversteps, and I take advantage of that, the fault lies with me. This is called compromising virtue, and compromising virtue brings bad fortune.¹

As a result, Wu Shiyong repaid the debt himself. Similarly, Yao Nai recounted the story of a small merchant, Zhao Zonghai, whose wife repaid his debts after his death by selling off their belongings to protect her husband's reputation. Yao Nai's account in *The Epitaph for Zao Jun of Wuling, a Member of the Imperial Household* reads:

At first, Mr. Zhao was entrusted with substantial funds and

¹ *Taihan Collection*, Volume 37.

valuables amounting to several thousand. When he passed away, he had not yet repaid these debts. Some advised his widow to refuse payment due to her vulnerable situation, but she said: 'My husband was trusted for his integrity. If we do not repay these debts, it would tarnish his reputation.' So, she sold their household items to repay all the debts.

This indicates that even the wife of the merchant was deeply influenced by her husband's sense of honor, reflecting the great emphasis merchants placed on their reputation.

During the Daoguang period of the Qing dynasty, a Huizhou merchant named Shu Zungang professed to follow the principles of the *Four Books* and *Five Classics* in his business practices. He believed in “earning money through righteous conduct, not for profit alone,” aligning his work with the teachings of the sages. He stated:

Money is like a flowing spring; as long as there's a source, the flow continues. Those who seek to gain wealth through deceit are only blocking their own source. Likewise, those who hoard their wealth and refuse to use it, or those who squander it in extravagance, both end up draining their flow. People tend to recognize the fault in wastefulness but overlook the harm in being overly frugal, because they don't understand the balance between the source and the flow. The sages said, 'Righteousness leads to profit,' and 'It's cowardly to see what's right and not act on it.' So, using wealth in line with righteousness not only keeps the flow from drying up, but also strengthens the source—this is the true path.¹

This philosophy shows a strong commitment to the profession of commerce and an aim for sustainable and moral business practices rather than mere profit.

There are numerous examples of Ming and Qing merchants who upheld integrity and honesty. Here are a few notable cases:

During the Kangxi period, Laiyang merchant Zuo Wensheng was known

¹ “Biography of Shu Zungang”, *The Three Histories of Yixian County*, Volume 15

for his honesty. Zhou Jixian entrusted him with two hundred strings of money, intending to use it as a loan at the usual interest rate of two percent. When the value of the money unexpectedly rose, Zuo still returned the exact amount to Zhou, who said, “The price has been set, I dare not take more.” Zuo replied, “Your money has gained value, how can I take advantage of you?”¹

Another thought-provoking example of honesty involves Huizhou merchant Tang Qi:

*His father had once borrowed gold from someone and lost the receipt. Tang repaid the loan. Later, someone else came up to him with the receipt, and Tang repaid the debt again. When people laughed at him, Tang explained, “The first debt is real, and the second receipt is genuine too.”*²

Mei Zhuangshe, a merchant from Shexian, came from a poor family and began trading at a young age. He was sincere and honest, never deceiving others and never suspecting others of deceiving him. Although he often trusted those who tried to deceive him, his profits ended up tripling. By middle age, he had accumulated several thousand taels of silver and became known in his hometown for his generosity and integrity.³

Shexian merchant Xu Zhen was described as “disinterested in profit and guided by faith and righteousness even to the point where people could not bear to deceive him. Over time, he came to be regarded as a peer of Tao Zhuyi.”⁴

Huizhou merchant Ling Jin “traded with people in the market, and even when cunning traders tried to trick him, he wouldn’t haggle. If he found he had given too little, he would compensate the exact amount.”⁵

Yang Junzhi, a merchant from Qingjiang, Jiangxi, “traded in regions like

1 “Biographies”, *History of Caiyang County, Volume 8*.

2 “Righteous Deeds”, *General History of Anhui*.

3 “Records of Local Worship and Worthies”, *Draft History of Yanzhen*.

4 “Biography of the Late Mr. Xu of Meixuan”, *Xu Family Genealogy of She County, Volume 5*.

5 “Righteous Conduct”, *Collected Works of Shaxi, Volume 4, Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985.

Wu, Yue, Min, and Yue for over twenty years. He was so trusted that even children and the elderly would not deceive him. In times of emergency, he generously used his wealth to help resolve crises.”¹

Lei Kequan from Nanchang once got to know “a Huizhou merchant named Zhu Yiyuan who stored a thousand taels of gold with him before passing away. His family was unaware of this. Lei then sought out Zhu’s son and returned the money.”

When Zhang Shida from Linchuan “traded in Hankou, he primarily worked with Zhong Liangzuo. Each year, he delivered goods to Zhong for sale and ultimately retrieved the account statements and his profits. In the winter of 1742, during the Qianlong reign, Shida returned from Hankou and reconciled accounts with his brother, Shiyuan, only to find an extra hundred taels of silver. They both agreed that this money was not rightfully theirs and decided to return it. The following year, they used the silver to buy paper, and Shida personally returned it to Liangzuo, explaining the situation. Liangzuo was deeply moved by their honesty.”³

In some places, business integrity and ethics were even codified in family rules to ensure they were upheld.

The saying “a good merchant hides his wealth” highlights how merchants prioritized their reputation as the cornerstone of their success. The *Three Histories of Yixian County* records the story of merchant Hu Rongming:

*In his fifty years of business, Hu Rongming never sought undue profit but frequently donated to charitable causes earning himself a great reputation in Wucheng. After his retirement, he refused to lease out his shop’s name at a high price, saying, “If they are truly honest, they don’t need my name. If they want to use my name, they must be dishonest, and they will eventually tarnish my name.”*⁴

1 “Epitaph for Mr. Yang Junzhi, Posthumously Awarded Gentleman of Literary Talent”, *Fifth Revised Yang Family Genealogy of Qingjiang*, Lower Volume.

2 “Virtuous People”, *Nanchang Prefecture History of the Tongzhi Era*, Volume 49.

3 “Virtuous People”, *Linchuan County History of the Tongzhi Era*, Volume 46.

4 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

Credibility earned merchants respect among their peers. For example, Fu Qian from Jinxi, Jiangxi, “was chosen by the local merchants as head merchant due to his fair judgement when he was doing business in Chongqing, Sichuan from his hometown.”¹ When Lu Tingcai from Xincheng traded in Wucheng, “was sought after by wealthy merchants from Jiangnan, Fujian, Guangdong, Sichuan, and Hubei for his integrity and reliability.”² Similarly, Chen Dengying from Dongxiang gained a reputation for honesty while trading in Hankou, northern Hubei. Impressed by his integrity, a wealthy merchant from southern Yunnan entrusted him with a large sum to manage business operations. As a result, Chen established numerous large businesses spanning Yunnan, Guizhou, Lingnan, Wu, and Yue. Merchants and travelers alike flocked to trade under his management. At the time, hundreds of people from his hometown gathered in Hankou to sell goods produced in Yunnan and Guizhou, all operating under Chen Dengying’s leadership.”³

A stellar reputation is an intangible asset and a kind of word-of-mouth advertising that can bring significant commercial benefits to a merchant.

Zhang Zhou, a merchant from Xiuning, “built his reputation on sincerity, treated people with courtesy, and handled matters righteously. As a result, people enjoyed associating with him, and his business thrived daily.”⁴

Wang Qifeng “never boasted about extraordinary profits, which earned him great respect among his peers. Without speaking of profit, wealth flowed to him in abundance, surpassing even the legendary merchant Fan Li of the Spring and Autumn period.”⁵

Huang Meiyuan was “renowned for his honesty and sincerity, earning him a reputation as a reliable figure in Jianghu’s trading circles. His flexible business approach allowed him to skillfully adapt to the times, balancing gains

1 “Virtuous People”, *Xinceng County History of the Tongzhi Era*, Volume 68.

2 “Virtuous People”, *Fuzhou Prefecture History of the Tongzhi Era*, Volume 10.

3 “Virtuous People”, *Xinceng County History of the Tongzhi Era*, Volume 68.

4 *Notable Families of Xiuning, Xin’an*, Volume 1. In *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

5 “Biography of Scholar Qifeng Gong”, *Genealogy of the Jiang Family of Ximen, Xiuning*, Volume 6. In *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

and losses effectively. Although he didn't prioritize profit, his wealth steadily grew, and his household became increasingly prosperous."¹

Wu Nanpo, a merchant from Shexian, once said: "Some people may prefer to trade deceitfully, but I prefer to trade honestly. I will never dress up prices to deceive even a five-foot-tall child. He conducted his business with integrity, never deceiving customers of any age. Over time, people from all directions flocked to trade with Nanpo. When they saw his seal on goods, they would buy without examining the quality or length."² Needless to say, his wealth grew tremendously.

The renowned Shanxi merchants also valued commercial reputation highly. The Qing scholar Guo Songtao noted, "Chinese merchants are traditionally known for their integrity, particularly those from Shanxi and Shaanxi. While they may not match the cunning of those from Jiangsu and Zhejiang or the calculation skills of those from Jiangxi and Hunan, they are steadfast in their honesty." Liang Qichao also remarked, "Shanxi merchants are known for their strict adherence to trustworthiness." Within their organizations, they placed great importance on commercial ethics, resulting in very few cases of corruption among their staff. "If someone faltered, they would be shamed by their peers, despised by their community, and criticized by their family. They would lose their livelihood and have no way to start again, nor could they return home with any dignity. Cheating was a self-inflicted trap, so everyone avoided it."³

Honest and fair merchants also practiced compassion in their dealings, refusing to exploit others' misfortunes for profit. During the Zhengde period of the Ming dynasty, when famine struck Anqing, Qianyang, and Tongcheng, merchants who had stored grain could have made a huge profit. However, Wang Pingshan, a grain merchant from Xiuning, chose not to exploit the situation. He lent grain to the poor without charging interest, earning the

1 "Original Biography of Huang Mei", *Collected Works of Zunyan*, Volume 32.

2 "Biography of Wu Nanpo", *Genealogy of the Wu Family of Kantou, Zhendong, Yanzhen, Ancient She County*. In *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

3 *China's Top Ten Merchant Guilds*, Huangshan Publishing House, 1993.

respect and gratitude of people near and far.¹

During the Kangxi and Qianlong periods, Wu Na, a salt merchant from Shexian, was known for his benevolence. He treated others' emergencies as his own, always ready to help. If circumstances prevented him from assisting, he would be restless with concern. He taught his descendants to "have good intentions, do good deeds, speak good words, and befriend good people."²

Wu Pengxiang, a merchant from Xiuning, "lived in Hanyang and was known for his generosity and virtue. When Hanyang experienced a famine, he brought several tens of thousands of bushels of rice from Sichuan. Although he could have made a significant profit, he sold the rice at a reduced price, sustaining the community. For this, he was praised by officials at all levels. Once, he bought 800 bushels of pepper, but when it was found to be poisonous, he burned it instead of selling it, fearing it might harm others."³

Huang Yingxuan from Shexian "lived his life without using cunning or deceit for profit. When his fellow townspeople were in dire need and sought loans, he gladly lent them money without demanding repayment."⁴

In summary, by the Ming and Qing dynasties, Chinese merchants had established their own business customs and principles. They gained insight into effective business practices, and their ethics steadily improved. The guiding values of "treating people with sincerity," "conducting business with trust," "making a profit with righteousness," and "valuing compassion" reflect how Chinese merchants transcended the stigma of being viewed as the lowest class in society.

Of course, moral principles such as "honesty," "trustworthiness," "righteousness," and "benevolence" were often strategies used by merchants to maximize profits. In a traditional society that prioritized agriculture over commerce, deep-rooted prejudices against merchants persisted. Their efforts

1 "Genealogy of the Wang Family of Fangtang, Xiuning: Epitaph for Ji". In *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

3 "Biographies: Local Virtuous People", *Xiuning County History of the Jiaqing Era*, Volume 15.

4 *Genealogy of the Huang Family of Songtang, She County*, Volume 5. In *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

to reshape this negative image were not solely about increasing wealth but also about gaining personal integrity and achieving broader social recognition.

In recent times, merchant guilds or trade guilds aimed to maintain the good reputation of their groups or industries. They did this by venerating ancestral deities and setting up complex business regulations and industry rules to strengthen the professional ethics of businessmen. Figures like Guan Yu and Yu the Great were often revered as industry protectors, advocating for righteous conduct and the virtue of benefiting society in commercial activities. The motive for formulating trade regulations was to regulate peer competition. For example, the preamble of the Hunan Wugang Lacquer Trade Regulations stated:

Some ruthless profit-seekers collude to sell fake lacquer, deprive others of their livelihoods, or engage in blatant robbery. They seek only personal gain without considering the harm they cause. Their deceitful behavior and insatiable greed make it increasingly difficult for us to make a living and even threaten our basic sustenance. This is truly infuriating.¹

The unethical behavior of a few individuals had already caused serious damage to the reputation of the trade. The preamble of the Changsha Money Shop Trade Regulations pointed out that through the “revision of rules” by all peers, they advocated for trade norms like “no tolerance for fraud that corrupts customs, no profit-seeking that breaches promises, no starting well and ending poorly, and no harming others for personal gain.” In this way, “convenience is brought to both commerce and the public, with wealth and resources flowing continuously like the Xiang River. This is a balanced approach, where both immediate and long-term interests are considered, shining brightly and standing tall like the majestic Mount Heng.”²

It is evident that healthy commercial development requires both strong

1 Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds*, Volume 1. Zhonghua Book Company, 1995, p.484.

2 Peng Zeyi, *Collected Historical Materials on Chinese Industrial and Commercial Guilds*, Volume 1. Zhonghua Book Company, 1995, p.233.

commercial ethics and self-discipline among businessmen, as well as robust laws and regulations to externally manage and restrict commercial activities.

Section Three Merchants Philanthropy

How did merchants make use of their wealth after amassing fortunes? The Protestant ethic in the West advocates for asceticism and frugality. In traditional Chinese society, some misers hoarded wealth while others indulged in extravagance. But neither stinginess nor lavishness is commendable. Mencius stated, “Born in adversity, die in ease”; Li Shangyin noted, “Success comes from frugality, failure from extravagance”; and Ouyang Xiu said, “Diligence can strengthen a nation, while indulgence can lead to personal ruin.” All these urge people to practice thrift and hard work. However, traditional merchants, despite their low social status but enormous wealth, often displayed their economic power by spending lavishly to gain social recognition.

In both “Biographies of Merchants” of *Records of the Grand Historian* and “Treatise on Food and Commodities” of the *Book of Han*, merchants were described as wearing ornate clothing, eating fine food, and riding in luxury, exuding an air of arrogance. By the Tang dynasty, merchants in Chang’an were so wealthy that one, named Wang Yuanbao, used gold and silver for walls and paved his floor with money. Even Emperor Xuanzong remarked, “Wealth rivals nobility. I am the most noble in the land, Yuanbao the wealthiest.” The *Continued Records of the Mysterious* mentioned that Pei Chen sold medicine in Guangling, and his home was “full of luxurious pavilions and lush flowers, resembling a paradise on earth.”¹ Late Tang poet Wang Jian described the bustling and opulent life of merchants in Yangzhou: “At night, thousands of lanterns illuminate the sky, and high towers are filled with elegant guests.”

During the Ming and Qing dynasties, as the commodity economy

¹ “Pei Chen”, *Extensive Records of the Taiping Era*, Volume 17.

developed further, the merchant class expanded significantly, particularly among the wealthy salt merchants who lived extravagantly. Emperor Yongzheng of the Qing dynasty noted:

While frugality is valued in the villages, extravagance is most evident among merchants. Their clothes and homes are extremely luxurious; their food and utensils are meticulously crafted; they are constantly entertained by performers; they feast and play without stop; they regard gold and pearls as mere dust. This is especially true among the salt merchants of Huai and Yangzhou.

In the Ming and Qing dynasties, the salt merchants of the Huai River region were notorious for their extravagant lifestyle. They spared no expense on clothing, food, and housing. *Records of Yangzhou Pleasure Boats* described:

The salt industry in Yangzhou thrives on extravagance. Weddings, funerals, banquets, and attire all cost tens of thousands of taels.

A wealthy merchant reportedly had each meal with over ten different dishes. During meals, his concubines would sit in the hall, and servants would present the dishes. If he shook his head at a dish, it would be replaced. The leading salt merchant Huang Juntai “started his day with bird’s nest soup, ginseng soup, and two eggs.” The eggs he consumed came from hens fed with ginseng and white *Atractylodes*, two kinds of precious Chinese medicine, each costing a tael of silver.

Another merchant wanted to see if he could spend a fortune in an instant. So he had his guests purchase gold leaves which were carried to the top of a tower on the Gold Mountain, and then they scattered them in the wind. The gold leaves fluttered away and were impossible to collect among the grass and trees. In another instance, the same merchant spent three thousand taels of gold “to buy Suzhou tumbler dolls, which he set afloat on a river until they clogged the waterway.”¹ These acts showcased the grotesque flaunting of wealth by the nouveau riche.

Merchants also spent extravagantly on clothing. “One headpiece could

¹ *Records of Yangzhou Pleasure Boats*, Volume 6.

cost thousands of taels of gold, and the attire of maids and concubines was adorned with treasures from all over the world.” Such displays of extravagance were not uncommon.

Yangzhou, known for its “gardens of unparalleled elegance,” was filled with gardens built by salt merchants from both the north and south of the Huaihe River. The seventh volume of *Records of Yangzhou Pleasure Boats* describes:

The Wang family from Shexian acquired land at the Jiulian Temple and built a villa named Nanyuan. This villa featured several scenic spots, including the “Deep Willows Study Hall,” “Grain Rain Pavilion,” and “Fengyi Pavilion.” In the Xinsi year of the Qianlong reign, they obtained nine Taihu stones from Jiangnan. The largest was over ten feet tall, the smallest about one foot, all exquisitely perforated. A large number of laborers and vehicles were employed for their transportation. The family further built “Chengkong Hall,” “Haitong Study,” and incorporated “Yuhua Temple” into the garden. The nine Taihu stones were placed in various spots, forming the “Nine Peaks Garden.” The arrangement of the stones was meticulous: two peaks were placed in the “Haitong Study House,” two in the “Chengkong Hall,” one in the “South Lake,” three in the “Jade Exquisite Hall,” and one at the corner of the “Yuhua Temple.” The garden was aptly named the “Nine Peaks Garden.”

Wealthy merchants often owned private opera troupes called “inner troupes.” The fifth volume of *Records of Yangzhou Pleasure Boats* states:

The salt merchants of Huai and Yang commonly kept opera troupes for grand performances. Xu Shangzhi, a merchant, hired famous actors from Suzhou, forming the ‘Old Xu Troupe.’ Hong Chongshi created the ‘Big Hong Troupe,’ and Wang Guangda formed ‘Deyin Troupe’ and hired ‘Chuntai Troupe.’

These two private troupes had a repertoire of over a thousand different plays, featuring the best actors of the time. “Chuntai and Deyin troupes

catered solely to the merchants' banquets. The running cost amounted to thirty thousand taels annually.”

Such extreme extravagance had external causes. The corrupted social environment resulted in financial instability and a lack of investment opportunities, prompting merchants to adopt a hedonistic lifestyle. However, a more significant reason for this decadence was likely the poor education. In contrast, many “scholar-merchants” of the Ming and Qing dynasties, who turned to commerce after failing in scholarly pursuits, behaved very differently after becoming wealthy.

In sharp contrast to the extravagance of the rich merchants, many middle and small merchants were known for their frugality and diligence. Huizhou merchants, in particular, were famous for their thriftiness. According to “Custom” of *History of Huizhou Prefecture*:

At home, they practice thrift and accumulate wealth. The poor eat twice a day, the rich thrice, mostly porridge. They don't keep horses or geese or ducks.

Women were particularly known for their thriftiness. Those living in the countryside went months without fish or meat, spending their days sewing and mending. In regions like Qian and Yi (modern-day Guizhou and possibly parts of Shanxi), women from the same neighborhood would gather at night to spin and weave cotton cloth together. It seemed as though they accomplished the work of forty-five days in just one month.

Gu Yanwu in *History of Zhaoyu* also mentioned the frugality of Huizhou merchants who, when traveling, “wore short coats and straw shoes, carrying an umbrella themselves, and were stingy with transportation costs. They were said to be millionaires.”

Jiangxi merchants were also known for their frugality. Cai Xichou of Ruichang, a supervisor who engaged in commerce, “accumulated great wealth but still lived frugally.”¹ Wu Shifa from Yushan engaged in various trades and

1 “Virtuous People”, *Jiujiang County History of the Tongzhi Era*, Volume 39.

farming along with his seven brothers. Despite their wealth, they “did not indulge in pleasures, avoiding entertainment and gambling.”¹

Nie Junwen faced extreme poverty and hardship at the beginning of his career. He “drifted from place to place for more than ten years in destitution, but he never resorted to any risky or opportunistic acts. Whenever he had an opportunity, he would seize it with determination, never allowing himself to become discouraged. Consequently, his efforts paid off, and his household gradually became prosperous. He once remarked, ‘I, like anyone else, enjoy wealth and despise poverty. However, prosperity and hardship come and go and cannot be constant. How dare I indulge in arrogance and extravagance?’”²

Similarly, Nie Rugao, who “traded in southern Chu and dealt in various medicines under the name Wantai, conducted his business with fairness and was known for his frugality. He ate simple meals and avoided luxury, dressing in plain clothes despite his success.”³

Merchants practiced frugality partly due to the influence of Confucian values that emphasized self-discipline, and partly out of fear of attracting envy and resentment. As a result, many followed the ancient maxim “able to accumulate, able to disperse.”

During the Yongzheng and Qianlong periods, Li Yimin, a wealthy merchant from Linchuan in Jiangxi who amassed great fortune through the salt trade, continued to live frugally as if he were still poor. He often said, “What is accumulated will eventually disperse; this is the way of heaven. Moreover, the accumulation of wealth brings many worries. If one does not disperse it wisely, it will be lost through improper means.” He maintained a simple and modest lifestyle until the end of his life.⁴

After becoming wealthy through trade, Yan Zhixiang from Wan’an, Jiangxi, often advised his sons, saying: “I started my building the family

1 “Virtuous People”, *Yushan County History of the Tongzhi Era*, Volume 8.

2 “Biography of Mr. Junwen”, *Revised Genealogy of the Nie Family of Xiangtian, Qingjiang*, Volume 1.

3 “Biography of Mr. Junwen and Biography of Elder Mr. Bin, Uncle of Da Yinbin”, *Revised Genealogy of the Nie Family of Xiangtian, Qingjiang*, Volume 1.

4 “Virtuous People”, *Linchuan County History of the Tongzhi Era*, Volume 46.

fortune through hard work and frugality, and I would leave you a wealth more than providing you with food and clothing. Official titles and fame are external things, but only acts of loyalty, righteousness, and generosity are truly lasting. You should strive to pursue them. Building wealth is not just about accumulating it, but also knowing how to distribute it wisely.”¹

Xiong Qin from Fengcheng often instructed his sons and nephews, saying: “You are well provided for and lack nothing in terms of food and clothing—that is enough. If you accumulate wealth but do not know how to distribute it, you risk creating resentment by hoarding too much. When duty calls for generosity, do not be stingy.”² The concept of “being able to accumulate” refers to skillfully managing business and properly making profits, not only to support oneself but also to provide for one’s family. The idea of “being able to disperse” means that the sole purpose of doing business should not be to amass wealth, but rather to “use idle money for meaningful purposes,” such as helping those in need and supporting the community. This reflects the notion of “accumulating wealth with purpose, and dispersing it with purpose.”³

Peng Hao, a Ming dynasty merchant from Wanzai, also spoke openly on this: “Heaven provides wealth for a reason. If one lacks it, he must seek it from others; if one possesses it, he should share it with others. What is the use of being a mere hoarder of money?”⁴

Some merchants came to understand the principle of “wealth should be dispersed” through their own tumultuous experiences. For example, Dong Boyi, a wealthy merchant from Ruichang, had amassed a fortune of ten thousand taels of gold. During the rebellion of Prince Ning, Zhu Chenhao, his son Zhaohan was kidnapped by rebel soldiers and had to be ransomed for a thousand taels of gold. Dong Boyi patted his son’s back and said, “A

1 “Virtuous People”, *Wan’an County History of the Tongzhi Era*, Volume 14.

2 “Virtuous People”, *Fengcheng County History of the Daoguang Era*, Volume 17.

3 Wang Youding. “Biography of Guo Weitai, the Great Guest”, *Collected Works of the Sizhao Hall*, Volume 5, Yuzhang Collection.

4 “Biographies”, *Wanzai County History of the Republic of China Era*, Volume 1031.

thousand taels of gold saved you, but it nearly killed you!” He then dispersed his wealth to help the poor and returned to a humble life of fishing in the marshes, finding contentment in simplicity.¹

This clear understanding that wealth can bring both blessings and misfortune made merchants uphold the traditional philosophy of “able to accumulate, able to disperse.” This philosophy emphasized spending money where it was needed. As a result, historical records are filled with accounts of merchants eager to provide disaster relief, repair bridges and roads, care for orphans and the poor, and fund the construction of academies and ancestral halls.

1. Supporting the Construction of Ancestral Halls and Academies

She Wenyi, a merchant from Shexian, Huizhou in the Ming dynasty exemplified the thrifty yet charitable businessman.

She Wenyi, styled Bangzhi, was born into poverty and worked diligently to lift his family out of hardship. He disliked extravagance, wearing simple clothes and living frugally among the elite merchants. He bought charitable land to support impoverished clan members, built charity houses for those without shelter, and founded charity schools for clan members who wanted to study. He also purchased several acres of land to create a charitable cemetery for locals who could not afford burials, spending over ten thousand coins. He donated four thousand taels of gold to build a stone bridge, benefiting travelers. Even in his eighties, his charitable spirit did not wane.²

Qimen merchant Li Xiu in Ming dynasty was also known for his charitable works. The *Qimen County History* records:

Li Xiu had a philanthropic nature. From a young age, he was skilled in trade, amassing great wealth. He often engaged in charitable acts. When the local Confucian temple needed repairs, Xiu donated funds, and the government recognized his contributions. He also built

1 “Virtuous People”, *Jiujiang County History of the Tongzhi Era*, Volume 39.

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*.

his clan's ancestral hall, donated land for ancestral rites, and contributed to various charitable causes such as poverty relief, famine aid, and infrastructure repair. His good deeds were numerous and noteworthy.¹

The *Yixian History* of the Jiaqing period mentions:

Shu Daxin, while doing business in Jiangxi, established four charitable cemeteries. In the sixteenth year of the Qianlong era, when the harvest failed, he bought and distributed rice at low prices. He repaired the road from the village to the town and repaired the East Mountain Taoist temple as well. He built over ten houses for clan members to study. When the county decided to build an academy, Daxin donated over 2,400 coins.

2. Donating Grain for Disaster Relief

At the end of the Ming dynasty, brothers Hu Jifang and Hu Jixun, merchants from Wuyuan, “encountered a severe famine in 1624. They provided porridge to feed the starving population for three months. Their charitable efforts were recognized by the local official Xu Mingsuo, who honored them with the title ‘Righteous Gentlemen of Charity.’”²

Wu Minyang, a merchant from Shexian, encountered a famine while traveling for business. With new wheat still two weeks away from harvest and “people unable to wait,” he “distributed a thousand bushels of wheat to the starving locals. Each person received a portion that could sustain them until the new harvest, saving countless lives.” In the year 1650, during a flood in Bilin, Wu Minyang again “provided porridge to the hungry.”³

In the third year of the Qianlong reign, Yangzhou suffered a drought. Wang Yinggeng, a salt merchant from the Huai region, donated 47,310 taels of silver. Four years later, when Yangzhou experienced a flood, he donated another 60,000 taels for disaster relief.⁴

Fang Andong, a merchant from Xiuning, was known for his generosity.

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

4 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

He repaired roads, established free ferry services, and helped the poor in his community. His son, Fang Shisui, continued his charitable work. In 1786, when Qishui County had a famine, Shisui donated funds for relief, saving many lives. The county magistrate awarded him the title “Benevolent Neighbor.”¹

3. Constructing Waterways and Building Roads

Wu Chang, a merchant from Yixian, traded in Jingdezhen, Jiangxi. He constructed the Huangni Tan Stone Bridge and built a pavilion over it for travelers to rest. He also established a ferry service at Wangjia Port, diligently maintaining it regardless of the cost. Additionally, he built the Henglong Road in his hometown.²

Jiang Yan, a merchant from Shexian during the Qing dynasty, was known for his “filial piety and charitable deeds. He noticed that the Xinling mountain in the north of the county was steep and dangerous, making it difficult to travel through this area. He petitioned the local authorities and donated tens of thousands of taels to construct a new road of 40 miles. He also repaired the Wanian bridge at Beiguan for safer crossings and dredged the 250-mile Eastern River in Yangzhou and the Anfeng Guanchang River, saving salt boats from the laborious overland transport, thereby benefiting both merchants and local residents.”³

Zhang Tianmao, a generous merchant from Wuyuan, conducted business in Jingdezhen. Distressed by the difficult and remote paths leading to the town from the west, he donated funds to renovate the Guanyin Pavilion and Jiao Pavilion and spent over two hundred taels to build a road over a thousand yards long. He also contributed to the construction of the Huokou Bridge, donating a hundred taels for each charity boat.⁴

4. Caring for Orphans and the Poor

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

2 “Righteousness”, *Continued Yixian History of Daoguang Era*, Volume 7. In *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

3 “People of Righteous Deeds”, *Scattered Records of Chengyang*, Volume 3. In *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

4 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

In the late Ming dynasty, Li Tingfang, a merchant from Wuyuan, was known for his benevolence. He “often lent money without interest to poor acquaintances according to their abilities, enabling many to rebuild their lives. He refused to seek fame for his charity, but would generously donate large sums and always assisted those in need, gaining widespread praise from the community.”¹

Wang Guanghuang, a merchant from Shexian during the Ming dynasty, “devoted himself to helping others. He provided monthly grain allowances to struggling clan members, offered tea and soup to travelers, provided clothes for those without clothing, supplied medicine to the sick, and established a charity school for children whose families couldn’t afford education. His annual expenses for these charitable activities amounted to several hundred taels. Additionally, he donated coffins every year, continuing this practice for decades and spending tens of thousands of taels.”²

Similarly, Wang Jinglin, a Qing dynasty merchant from Yixian, “once encountered a neighbor crying throughout the night. Upon inquiring, he learned that the neighbor was deeply in debt and about to sell his wife to repay the creditors. Wang Jinglin gave the neighbor all the money he had, allowing the couple to stay together. He often helped friends in difficulty and provided for poor relatives even at the risk of his bankruptcy.”³

The charitable acts of merchants were numerous and well-documented in historical records. These acts often took up significant portions of their wealth, sometimes even their entire capital, yet they pursued them with unwavering dedication. Many were motivated by a desire to earn a reputation for generosity and public spirit, seek official recognition, or leave a legacy in historical records or family lineage. Although they did not achieve the highest ideals through the imperial examination system, they found personal fulfillment and societal recognition in sharing wealth and philanthropy.

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

2 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties.*

However, this fervor for charity sometimes depleted their resources, potentially ending their business ventures. While these acts promoted public welfare and compensated for the government's inadequate investment, they also had a negative impact. From the perspective of capital development, the merchants' philanthropy dissipated capital that could have further developed industry and commerce, slowing the emergence of capitalism in China.

Chapter Six Commercial Principles

Section One Business Philosophies

Seeking profit is a universal goal. As Engels pointed out: “Since the emergence of class antagonism, it has been humanity’s base desires—greed and the lust for power—that have driven the development of history.”¹ Righteousness and profit have been two significant concepts in ancient Chinese philosophy. The debate between righteousness and profit has a long history. Early on, there was the notion that “righteousness generates profit.”² Confucius and Mencius, representing pre-Qin Confucianists, had a dismissive attitude towards profit, asserting that “a gentleman understands righteousness, while a petty person understands profit.”³ In contrast, pre-Qin Legalists completely rejected the positive role of righteousness, believing that human nature is inclined toward profit. They argued that people “calculate profit in life and reputation in death,”⁴ and “just as water flows downward, people naturally seek profit.”⁵

Xunzi believed that everyone has tendencies toward both righteousness and profit, and it is the ruler’s responsibility to ensure that the inclination towards righteousness triumphs over the desire for profit. *Guanzi: Shepherding*

1 *Selected Works of Marx and Engels*, Volume 4. People’s Publishing House, 1972, p.233.

2 “The Discourses of the States 1”, *The Discourses of Jin*.

3 “Li Ren”, *The Analects*.

4 “Calculating Land”, *The Book of Lord Shang*.

5 “Ruler and Minister”, *The Book of Lord Shang*.

the People presented a famous argument in the righteousness-profit debate: “When granaries are full, people know propriety and moderation; when food and clothing are sufficient, they understand honor and shame.” Dong Zhongshu posited that “profit nourishes the body, righteousness nourishes the mind,” suggesting that both righteousness and profit are essential for human sustenance. Sima Qian also observed that people are inherently profit-seeking: “All under heaven bustle for profit; All in the world are driven by personal gain.”¹ The Tang dynasty poet Bai Juyi had a similar viewpoint: “People eagerly chase after profit; if there’s money to be made, they’ll brave water, fire, and sharp blades to get it.”

Subsequent thinkers acknowledged the legitimacy of human desires for profit, including Li Gou and Ye Shi. However, Song and Ming Neo-Confucianism emphasized righteousness over profit. Throughout China’s history, the “debate over righteousness and profit” has never ceased.

Traditional Chinese commercial philosophy is closely related to the concepts of righteousness and profit. Balancing righteousness and profit is key to successful business operations.

The tenets of merchants since ancient times have always been seeking profit and avoiding harm, buying low and selling high. As Guan Zhong noted during the Spring and Autumn period, merchants “carry burdens, harness oxen and horses, travel to the four corners, exchange what they have for what they lack, buy cheaply and sell dearly,” aiming for profit.

However, not everyone could master the art of buying low and selling high. From the Spring and Autumn period to the early Western Han, commercial activities flourished. Some insightful individuals ventured into commerce, achieved great success, and elevated their business principles into a distinct philosophical school, known as the “Merchant School” or “Commerce School.” This school proposed a series of principles and methods for buying low and selling high, establishing key concepts such as “surplus,” “deficit,” “expensive,” “cheap,” “take,” and “give,” which later merchants embraced.

¹ “Biographies of Merchants”, *Records of the Grand Historian*.

Notable figures like Ji Ran, Bai Gui, and Tao Zhugong were revered as the founders of this school. Works like *The Strategies of Ji Ran* and *Miscellaneous Writings of Zigong* reflected their commercial views and business philosophies.

However, the most comprehensive ancient Chinese thought on commerce came from Sima Qian's *Records of the Grand Historian: Biographies of Merchants*, which detailed the business strategies of Tao Zhugong and Bai Gui. According to *Records of the Grand Historian: House of King Goujian of Yue*, Tao Zhugong, also known as Fan Li, was a prominent minister of the Yue state in the late Spring and Autumn period. After achieving great success for the Yue state, he retired and turned to commerce:

Fan Li sailed to Qi, changed his name to Chi Yizi Pi, and farmed by the sea, working hard with his sons to build their wealth. Before long, they accumulated tens of thousands. Hearing of his talent, the people of Qi made him their prime minister. Fan Li sighed, "At home, I can amass thousands in gold; in office, I rise to minister. This is the utmost for a commoner. Holding fame for too long is inauspicious." So, he resigned, distributed his wealth among friends and villagers, and left with his treasures to live in Tao, a central place in the country where trade routes converged, enabling him to grow rich. Thus, he called himself Tao Zhugong. ... By observing the seasons and pursuing tenfold profits, he soon amassed a great fortune.

Tao Zhugong adopted a set of principles called "strategies of Ji Ran", attributed to his teacher Ji Ran, to guide his commercial activities. One key concept from these strategies, recorded in *Records of the Grand Historian: Biographies of Merchants*, is the "principle of accumulation." "Accumulation" refers to the practice of stockpiling goods and engaging in commerce to get rich. This principle, valued by merchants as a secret to wealth, contains profound philosophy and wisdom and can be considered the foundation of all later business theories and wealth-building techniques.

One of the core concepts of the "principle of accumulation" is "to ensure the goods are complete, and money is not idle." "Ensuring goods

are complete” emphasizes maintaining the quality of goods, keeping them intact and saleable. “Money is not idle” refers to keeping money in constant circulation, avoiding it from sitting idle. In modern economic terms, this means accelerating the turnover rate of capital, or “making money flow like water,”¹ as stated in the “Strategies of Ji Ran.” Merchants make profits by investing a certain amount of money in goods and then selling those goods to acquire more money. Therefore, “ensuring goods are complete” is a means to achieve the goal of “money is not idle.”

How can one “ensure goods are complete”? The “principle of accumulation” advises: “Trade goods for goods; do not keep perishable items. This means that perishable food items should be sold quickly to avoid spoilage and devaluation.

The second core concept of the “principle of accumulation” is “following the trends,” which involves understanding and leveraging market fluctuations and patterns. Merchants should recognize and capitalize on these trends to identify the optimal times to buy low and sell high. This principle is summarized as: “By assessing surplus and shortage, one can determine value; when prices peak, they will fall; when prices bottom out, they will rise.”² In other words, merchants should judge price trends based on the supply and demand of goods.

After identifying market trends, Tao Zhugong proposed the idea of “never holding onto high prices” and “selling at high prices as if they were dirt, and buying at low prices as if they were jewels.” The high and low prices of goods are not constant; they inevitably affect supply and demand, leading to price shifts in the opposite direction. Therefore, in practice, merchants must sell when prices are high and buy when prices are low without hesitation to avoid missing the best opportunities.

Tao Zhugong also studied the impact of climate change on agriculture. After years of observation, he developed a method to predict harvests. He

1 “Biographies of Merchants”, *Records of the Grand Historian*.

2 “Biographies of Merchants”, *Records of the Grand Historian*.

believed: “In years when Jupiter is in metal, the harvest will be abundant; in water, it will be destroyed; in wood, there will be famine; in fire, there will be drought.”¹ Here, metal, wood, water, and fire refer to the positions of Jupiter. Based on these predictions, Tao Zhugong proposed the principle of “investing in boats during droughts and in the capital during floods.”

Regarding personnel management, Tao Zhugong emphasized “selecting the right people” and “not blaming individuals.” He advocated for “following the trends without blaming others” and “choosing the right people and adapting to the times.”² “Selecting people” means appointing the right individuals for various commercial roles, while “not blaming others” means utilizing individual strengths without expecting perfection.

During his nineteen years in business, Tao Zhugong “amassed significant wealth three times and twice distributed his profits to poor friends and distant relatives.”³ This act of generosity was not only a good deed but also self-promotion, enhancing his business reputation much like modern businesses focus on maintaining a positive corporate image.

Sima Qian, in *Records of the Grand Historian: Biographies of Merchants*, also mentioned Bai Gui, a merchant known for his ability to “observe market changes”:

Bai Gui, a native of Zhou, lived during the time of Wei Wenhou. While Li Ke focused on maximizing land productivity, Bai Gui excelled at observing market trends and adapting to changing market conditions. Thus, he would “take what others discard and give what others seek.” In good harvest years, he would trade grain for silk and lacquer; when silkworms were abundant, he would trade silk for food.

Bai Gui also made predictions based on celestial movements: when the moon was in the “Mao” phase, the harvest would be abundant; in the “Wu” phase, there would be drought, followed by a good harvest

1 “Biographies of Merchants”, *Records of the Grand Historian*.

2 “Biographies of Merchants”, *Records of the Grand Historian*.

3 “Biographies of Merchants”, *Records of the Grand Historian*.

the next year; in the “You” phase, another good harvest, and in the “Zi” phase, severe drought. When there was water in the “Mao” phase, stockpiling would yield double returns.

He believed that to accumulate wealth, one should trade in common grains; to fill granaries, one should choose the best seeds. He also advocated for frugality, enduring hardships, and sharing the same living conditions with workers. He acted swiftly, like a beast or a bird catching its prey. He said: “My approach to managing production is like the strategies of Yi Yin and Lü Shang, the military tactics of Sun Wu, and the legal reforms of Shang Yang. Therefore, if one lacks the wisdom for adaptability, the courage for decisive action, the benevolence for giving and receiving, or the strength to uphold principles, even if he wishes to learn my methods, he will never fully grasp them.” It is for this reason that Bai Gui is regarded as the founding figure in discussions of wealth management.

The core of Bai Gui’s wealth management technique was making business decisions based on market predictions. The phrase “what others discard, I take; what others take, I give” succinctly captures this approach. It aligns with Tao Zhugong’s principle of “selling at high prices as if they were dirt, and buying at low prices as if they were jewels.” “What others discard, I take” refers to acquiring goods when prices are low, while “what others take, I give” refers to selling goods when prices are high. Bai Gui observed that the abundance of grain did not always align with other agricultural products. Therefore, in years of plenty, he bought low-priced grain and sold high-priced silk, lacquer, and cocoons. In years of disaster, he sold the grain stored from years of plenty at higher prices while buying relatively cheaper fabrics and wadding. Once a decision was made, he executed it swiftly and decisively, like “a predator pouncing or a bird swooping down.”

In terms of personnel selection, Bai Gui emphasized four qualities: wisdom, courage, benevolence, and strength, similar to the military criteria for selecting generals, as noted by Sun Tzu: “A general must have wisdom,

trustworthiness, benevolence, courage, and strictness.”¹ Bai Gui also emphasized that businessmen should be frugal, temperate, and willing to endure hardships alongside their workers. His goal was to allocate as much capital as possible to business operations while actively participating in the labor, working diligently like their servants to ensure the effectiveness of their business activities.

In the choice of commodities, Bai Gui advocated for “selecting basic grains.” While rare and exotic goods could be lucrative, they often had a limited market and slow capital turnover. Basic grains, however, were essential to the public, offering a big market despite low prices and limited profit margins. This “thin profits but high sales” approach naturally led to significant overall profits.

Bai Gui’s “wealth management techniques” integrated the philosophies of Legalists, military strategists, and Daoists. Although he emphasized low-cost purchases and high-price sales, his vision extended beyond this simple dichotomy. He abstracted and summarized key aspects of ancient commercial operations, providing a comprehensive theoretical framework for wealth management in merchant doctrines.

Additionally, in “Biographies of Merchants” of *Records of the Grand Historian*, Sima Qian highlighted the business principles of over a dozen wealthy merchants from the Spring and Autumn period onwards. He summarized their strategies into three main points:

First, Unexpected Strategies. To build wealth, one must adopt flexible strategies, and adapt to changing circumstances. Sima Qian believed that while market conditions are constantly changing, there are underlying patterns that can be understood. He wrote the *Biographies of Merchants* to provide insights into the wealth-building experiences of merchants from the Spring and Autumn, Warring States, Qin, and Han periods, helping people understand and learn from these patterns.

Second, Focus. This means not being swayed by trends or changing

1 “Laying Plans”, *The Art of War*.

interests, but rather dedicating oneself to a single industry, mastering its production techniques and management methods. This allows one to understand market supply and demand dynamics, develop unique strengths, and achieve a competitive edge. Bai Gui referred to this as “strength,” implying the ability to maintain a consistent focus.

Third, Sima Qian proposed the idea that “greedy merchants make three transactions; honest merchants make five.” This means that greedy merchants, seeking high profits, price their goods high and sell slowly, completing only three transactions. Honest merchants, however, opt for thin profits and quick turnover, completing five transactions.

Ancient business philosophy has evolved over the ages into various methods, techniques, and strategies, forming a uniquely Chinese approach to commercial management. Yet, they are rooted in the principles of Ji Ran’s “theory of accumulation” and Bai Gui’s “wealth management techniques.” Successful merchants have always been adept at applying these principles. Throughout history, merchants have learned and adapted these principles, amassing valuable commercial experience and creating effective business methods and theories that continue to offer insights to modern entrepreneurs.

Section Two Business Strategies

Throughout history, business strategies have varied widely, but they are typically based on adapting to the conditions of timing (heaven), location (earth), and human factors (people). However, much like in warfare, rigidly applying strategies without flexibility ends in failure. Here are a few examples:

1. Predicting Market Trends and Taking the Initiative

A key to business success is closely monitoring market changes and collecting information to predict supply and demand as well as price fluctuations.

“Biographies of Merchants” in *Records of the Grand Historian* recounts

that in the chaos at the end of the Qin dynasty, “while the heroes scrambled for gold and jade, the Ren family alone stockpiled grain.” When the battles between Chu and Han spread to Xingyang, “people could not farm, and the price of rice soared. The Ren family got rich by trading their stockpiled grain for gold and jade.” This is an early example of the successful application of the principle of “taking what others discard and discarding what others take” by predicting market trends and taking the initiative.

Records of the Listener (Yijian Zhi) reports that in the tenth year of the Song dynasty’s Shaoxing era, a fire broke out in Lin’an city burning many houses, including a shop owned by a merchant named Pei. Instead of trying to save his own property, Pei immediately organized his men to go outside the city and buy building materials such as bamboo, wood, bricks, tiles, and reeds. After the fire, the market for building materials could not meet the demand as many people tried to rebuild their houses. At that time, the government offered tax exemptions to merchants selling building materials, allowing Pei to make a significant profit.

During the Chenghua and Hongzhi periods of the Ming dynasty, the wealthy merchant Shen Cunjie of Hangzhou’s Tangqi “observed market dynamics. He took what others were discarding and discarded what others were seeking, holding onto surplus goods to prepare for shortages. Within a few years, he had amassed significant wealth in his region.”¹

During the Hongzhi and Jiajing periods in the Qing dynasty, Cheng Suo from Xiuning partnered with over ten relatives to do business in Lishui county, Jiangsu. In 1543, Lishui experienced a bountiful harvest, causing grain prices to plummet. Cheng and his partners took advantage of this by buying large quantities of grain. The following year, a famine struck, and grain prices soared. They sold their stockpiled grain at a high profit. Cheng Suo bought grain slightly above the market price when it was cheap and sold it slightly below the market price when it was expensive, earning profits while also

1 Ding Yangfa, *Records of Xixuan’s Imitations of Tang Collections*, Volume 9.

gaining a reputation as a “fair merchant.”¹

The merchant Weng Zan from Dongshan, Dongting, exemplified the ability to understand and predict market trends. He “traveled extensively, from the Xiang and Han rivers in the south to Huai and Si rivers in the north, and went through the markets of the nations such as Qi, Lu, Yan, and Zhao. Wherever he went, he closely monitored the production and distribution of goods, understood the market dynamics, and adjusted his strategies accordingly.”² By accurately assessing supply and demand changes, he was able to determine the optimal business direction and timing, leading to repeated success.

Weng Zan’s nephew, Weng Lei, inherited his uncle’s knack for market prediction. He was particularly “adept at interpreting signs of price fluctuations and market conditions. He handled all business decisions, large and small, with a keen sense of judgment, leading to profits that were often ten times greater than expected.”³ Weng Lei, who later inherited the family business, was also adept at capturing market information. Weng Ding, Weng Zan’s second son, “had an uncanny ability to calculate profits with precision,”⁴ demonstrating exceptional business acumen. Weng Qiming, Weng Zan’s grandson, was similarly skilled. He was known for “understanding the market without leaving the house, and making the women of the Southeast produced ample clothing and bedding without working the loom personally.”⁵ His brother, Qiyang, was also “adaptable to changing times, and making remarkably accurate predictions about future events.”⁶

The famous merchant Xi Benzhen was particularly noted for his ability to gather information and anticipate market changes. He skillfully “applied the principles of Ji Ran and Bai Gui while incorporating wisdom and integrity

1 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, Huangshan Publishing House, 1985, p.161.

2 “Epitaph for Mr. Meilin”, *Genealogy of the Weng Family*, Volume 11.

3 “Epitaph for Mr. Dongting and His Wife Yan”, *Genealogy of the Weng Family*, Volume 11.

4 “Epitaph for Mr. Jiuzhou”, *Genealogy of the Weng Family*, Volume 11.

5 “Epitaph for Mr. Jianyuan and His Wife Mrs. Shi”, *Genealogy of the Weng Family*, Volume 11.

6 “Epitaph for Mr. Jiancang”, *Genealogy of the Weng Family*, Volume 11.

into his transactions.”¹ Historical records described him as “understanding the market, adjusting to the times, grasping the intricacies of all goods, and balancing their value to determine when to buy or sell.” He “enjoyed observing market conditions, ensuring that scarce goods were made available, profitable items became abundant, harmful products were removed, and excessive goods were reduced. He skillfully balanced these factors, responding to good and bad harvests, droughts, and floods with timely adjustments.”² Xi Benzhen’s success stemmed from his ability to respond promptly and accurately to market trends, demonstrating his mastery over the principles of Ji Ran and Bai Gui.

The success of the Weng and Xi families before the Opium War was no accident. Their sharp market insight and strategic use of traditional commercial principles were key to their prosperity.

Shanxi merchants, known for their sharp business acumen, prioritized market information and trend forecasting. For example, the Cao family of the Fushengjun Store in Shenyang quickly bought grain after learning of a poor sorghum harvest, earning a huge profit when prices rose. Their system of main and branch offices, exchanging information every five days and sending letters every three, ensured success in long-distance trade.

Another example is Hua Linxiang, a wealthy merchant from Wuxi during the Zhengde and Jiajing periods of the Ming dynasty. Known as Haiyue and reputed for his great wealth, he once noticed the absence of red water chestnuts in a market he visited with his father. Sensing a lucrative opportunity, he transported large quantities of red water chestnuts from his hometown, “making ten times the profit in just six or seven days.” He frequently sought advice from local merchants and expanded his knowledge significantly. On one occasion, he learned that a broker had several hundred bags of “Ban Zhi Hua” (a material for cloth making) left unsold for a long time and was planning to sell them cheaply at four *qian* of silver per bag.

1 “Epitaph for Xining, Vice Minister of the Ministry of War”, *Collected Works of Meicun*, Volume 47.

2 “Epitaph for the Late Scholar Mr. Xi of Weizhou and His First Wife Mrs. Zheng, Joint Burial”, *Genealogy of the Xi Family*, Record 10.

Haiyue remarked, “This item will be valuable one day, though it’s unclear when.” He then offered two *qian* per bag in cash. The broker, pleased and thinking it was a miraculous deal, immediately closed the sale. Less than a month later, Emperor Wuzong launched a campaign to suppress a rebellion, and officials needed “Ban Zhi Hua” as military provision. As supplies dwindled and prices soared, Haiyue seized the opportunity to sell his stock, earning millions.

Merchant Ouyang Zhenluan from Nanchang, Jiangxi, displayed remarkable foresight. He did not “fuss over small profits but focused on large-scale operations. By keenly understanding market supply and demand, he conducted transactions involving large quantities of goods and accumulated substantial wealth within a few years.”¹

However, there were also merchants who suffered losses due to a lack of market insight. In *Strange Tales from a Chinese Studio*, the story of *Wang Cheng* recounts how Wang Cheng brought over fifty bolts of poplin fabric and transported them to the capital, hoping to sell them at a high price. On his way to the city, he heard that the price of poplin fabric had soared and was elated. However, upon arrival, the innkeeper regretted his late arrival. Initially, poplin fabric was scarce, leading to high prices as the local government urgently bought it. But they had completed their purchase the day before, leaving subsequent sellers disappointed. As more poplin fabric flooded the market, prices dropped further. Wang Cheng, refusing to sell at a loss, held to his stock for over ten days, ultimately losing over ten taels of silver before selling everything off.

2. Playing to Strengths with Unconventional Strategies

Sima Qian’s observation that successful merchants employ strategies of “leveraging strengths through unconventional means” and maintaining “steadfast focus” has been creatively embraced by later generations of merchants.

1 Wang Ji. “Literary Works”, *Biography of Mr. Ouyang Zhibe’s Life and Virtues*. In *Huichang County History of the Tongzhi Era*, Volume 31.

An example from *Qing Dynasty Anecdotes* recounts the story of a merchant from Nanchang who suffered heavy losses due to poor management. By the end of the year, he was left with only 200 coins, and creditors were pressing him. In desperation, he intended to end his life but was saved by someone. Upon learning the reason for his despair, the person laughed and said, “How strange! You still have 200 coins and yet seek death?” The merchant explained that 200 coins were useless. The person then laughed again and said, “You are in trouble because you see no opportunities.” He took the 200 coins, bought a jar of wine, a piece of meat, and several small toys, and they spent the night in a ruined temple, eating and drinking. Early the next morning, the person woke the merchant, reminding him that it was New Year’s Day, and suggested he sell the toys to parents with children, charging a bit more. The merchant followed this advice, made a small fortune, and happily returned to the temple, planning to sell more toys. The person shook his head and said, “Yesterday was the end of the year, and toys were cheap, so selling them was profitable. But today is the new year, and toy prices have risen. With our limited capital, we need to sell quickly to keep the money flowing. Unlike wealthy merchants who can hold onto rare goods for higher prices, we must remain flexible and adapt swiftly.”

This story illustrates that merchants must make business decisions based on their conditions and adapt to changing circumstances to profit.

Another example is Wang Bingyuan from Jurong County, Jiangsu, who wrote a book called *Worldly Affairs*. Later, in the 51st year of the Qianlong reign, it was revised by Wang Hao from Hebei into *Introduction to Business Affairs*. This book offers fundamental knowledge for shopkeepers, stressing the importance of being alert and attentive to customers while honing the ability to “read the situation and discern expressions.” It advises listening carefully to understand customer intentions. It emphasizes that one should maintain the right balance in conversations: “If the customer is fair and reasonable, treat them fairly. If the customer is rude and speaks harshly, don’t be passive; respond with a degree of firmness.” When quoting prices, the general principle

“is to start with a high price and then let the customer negotiate”, because “honesty doesn’t work these days; you need to leave some room to maneuver. If you suddenly state the actual price, the buyer might not fully believe it and will only try to reduce it, not increase it.” Of course, it also depends on whether the goods are popular or not, “you need to stay close to the market trends and not deviate too much.” In short, when quoting prices to customers, one must “adapt to the situation and respond accordingly.” For customers who haggle but have no intention to buy, it’s still worth negotiating as they might spread the word and bring in new customers. This strategy is called “attracting customers.” Occasionally, it may be necessary to take a loss on a sale with the mindset that “today’s loss can be recovered in future transactions.” For large transactions, merchants should be more generous and flexible, avoiding the penny-pinching approach suited for small deals. Even in payment terms, there should be room for flexibility rather than rigid insistence.¹

In the late Ming dynasty, Xu Youde, a businessman from Dongting, was also good at adapting to the times, “not going against the trends, not being constrained by things,” thus “his wealth grew daily, his business flourished, his reputation spread, and he greatly expanded his enterprise.” As long as there was a profit to be made, he was flexible with the time, place, and types of goods.

3. Harmony Brings Wealth, Small Profits Lead to High Sales

The key to successful business lies in the synergy of timing, location, and harmonious relationships, with “harmony” often being the most crucial factor. Harmony encompasses the relationships between employers and employees, partners, and the mutual trust and dependence between sellers and customers.

For example, Shanxi merchants commonly adopted a partnership approach, which required strong internal management. This included providing apprentices with education in professional ethics, formulating company regulations, and establishing mechanisms of mutual trust. Such

¹ Zhang Haipeng & Zhang Haiying, preface to *China’s Top Ten Merchant Guilds*, Huangshan Publishing House, 1993.

practices greatly benefited the Shanxi merchants. Additionally, traditional merchants leveraged familial and regional connections and established good relationships with peers and even government officials, which proved advantageous in their business dealings.

“The customer is God”, meaning the customer is always right, has always been a guiding principle. The previously mentioned *Introduction to Business Affairs* emphasizes politeness towards customers. When a customer enters the store, employees should make a positive impression by standing upright, being courteous, and offering a warm greeting. During business negotiations, they should remain humble and respectful, maintain a friendly and engaging demeanor, and speak with purpose. Their attitude should be as refreshing as a gentle spring breeze, fostering a pleasant environment. The saying “no smiles, no business” highlights the importance of a welcoming approach. When conducting business, employees should speak kindly and sincerely, incorporating compliments to make the customer feel welcomed and trusted. For regular customers, a touch of humor can be added to any transaction, whether big or small. Even if customers negotiate prices that seem unprofitable, employees should remain polite, patiently explaining and reasoning without becoming dismissive. Respect for customers is paramount. When interacting with customers, regardless of their wealth or status, employees should treat everyone equally. Anyone with money to spend, even beggars, should be welcomed. Do not judge people by their appearance; treat everyone with equal respect. Conversations should be appropriate and to the point. Too much talk can be annoying and arouse suspicion of dishonesty, while abrupt and impatient responses can make customers feel unwelcome, ruining potential sales. If a customer thinks the goods are expensive, employees should explain why, detailing factors such as scarcity, production issues, or other reasons for the price increase. This transparency can help customers understand and accept higher prices. For those who criticize the quality of goods, employees should respond gracefully, addressing their concerns without rudeness. In summary, from the moment customers enter the store till they

leave, employees should follow the principle that customers are the lifeblood of the business, treating them with patience and respect to ensure successful transactions.¹

Respecting and treating customers well is crucial in commerce, but if products are of poor quality or overpriced, sales will inevitably suffer. Therefore, wise merchants often adhere to the principle of small profits and high sales volume, leaving the benefits to customers. This modern practice of “discount sales” is essentially a contemporary version of the adage “greedy merchants make three transactions; honest merchants make five.”²

During the Ming and Qing dynasties, many educated merchants practiced the principle of small profits and high sales volume. For example, Ming dynasty scholar Gu Xiancheng’s *Notes from the Xiaoxin Studio* mentions:

He Xinyin was able to influence and persuade others because he was deeply entrenched in personal gain, using his intelligence and cunning to achieve his goals. However, his cleverness had its limitations and could not succeed in every situation. Geng Sinong selected four household servants, each given 200 taels of gold to grow their wealth. One of them sought advice from Xinyin. Xinyin gave him a six-word strategy “Buy a little, sell a little,” as well as a four-word strategy “Buy in bulk, sell in pieces.” By following this advice, the servant’s wealth grew to tens of thousands.

He Xinyin’s business strategy emphasizes quick turnover and small profits from high sales volumes.

Kang Hai, in his *Eulogy for Uncle Kang Luan*, records his uncle’s criticism of a merchant who hoarded goods to sell at high prices. Kang quotes his uncle:

He does not understand the way of commerce. Waiting for high prices to sell is a strategy for mediocrity, as it may take a whole year without making a single trade. In contrast, my approach yields ten

1 Zhang Haipeng & Zhang Haiying, preface to *China’s Top Ten Merchant Guilds*, Huangshan Publishing House, 1993.

2 Yu, Ying-shi. *Religious Ethics and the Spirit of Merchants in Early Modern China*.

*trades a year, multiplying the profits. (Kang Duishan Collection, Vol. 39)*¹

This business strategy involves making multiple trades with smaller profits rather than waiting for high prices. There are numerous examples of this strategy. For instance, Wei Xi's *Eulogy for Master Shen of Sanyuan* states that Shen Wencai "engaged in the salt trade and mastered the technique of honest trading, leading to family prosperity." (Wei Shuzi Collection, Vol. 18)²

During the Kangxi period, Xu Sanhan, a merchant from Dongting Xishan, followed a strategy of "quickly selling goods for small profits without stockpiling, which consistently doubled his earnings."³

Similarly, Jin Runai, who managed the business for Xi Benzhen, "excelled at active trading. While other merchants waited for market peaks, he sold at fair prices and never hoarded goods, thus always profiting while others suffered losses."⁴

Tao Zhengxiang, a book dealer in the Qing dynasty, also elaborated on the rationale behind "small profits and high sales." In Sun Yuanru's *Epitaph for Tao Zhengxiang, Salt Tax Official of Liangzhe*, it says:

In trading books, Mr. Tao did not fixate on profits. If a book was worth a lot of money (100 units of gold), he would sell it for slightly more than his cost, often just at over 10% profit. If he obtained it for ten units, then price it slightly higher. For those kept in inventory for a long time, charge a bit more. He said, "I seek a modest profit to sustain myself, allowing book buyers to benefit as well. If I monopolize profits and the goods stagnate, I still lose in the end." This approach made him highly successful in book sales. . . . At that time, there was a certain Mr. Wang who sold books and paintings in the capital and a Mr. Gu who sold old porcelain and utensils. Their views were similar to Mr. Tao and

1 Yu, Ying-shi. *Religious Ethics and the Spirit of Merchants in Early Modern China*. p.571.

2 Yu, Ying-shi. *Religious Ethics and the Spirit of Merchants in Early Modern China*. p.571.

3 "Biography of Mr. Xu Zikai", *Xu Family Genealogy of Xiaoxiawan, Qianlong Era*, Volume 4.

4 Wang Wan, "Epitaph of Mr. Guantao", *Collected Essays of Yaofeng (Yaofeng Wen Chao)*, Volume 16.

both were very successful in their trades.¹

The principles of “small profits and high sales” were widely accepted by merchants during the Ming and Qing dynasties, demonstrating their practicality and enduring relevance in business.

4. Clever Use of Advertising to Capture Attention

The saying “Good wine needs no bush” suggests that a high-quality product will attract customers without the need for advertising. This outdated mindset of small-scale farmers, who focused solely on product quality and ignored advertising, has long been left behind by modern business practitioners. In contrast, the popular saying “A good merchant praises their own wares” highlights the growing importance of advertising, which has become increasingly emphasized.

Traditional Chinese merchants were not oblivious to the importance of advertising. During the Warring States period, a strategist named Guo Wei, serving under King Zhao of Yan, told a story about “paying a thousand taels of gold for a bone” to gain the king’s favor:

I once heard of a ruler who offered a thousand taels of gold for a swift horse yet couldn’t obtain one even after three years. An attendant requested permission to find one. The ruler sent him off. After three months, the attendant returned with the bones of a dead horse, purchased for five hundred taels of gold. The ruler was furious and said, “I wanted a live horse, not a dead one. Why waste five hundred taels of gold?” The attendant replied, “If we pay so much for a dead horse, imagine how much we’ll pay for a live one. The message will spread, and soon we will have many swift horses.” Within a year, three swift horses were presented to the ruler.²

The attendant spent five hundred taels of gold on the bones of a swift horse to demonstrate the ruler’s earnest desire and sincerity in getting such horses. This created a stir and achieved the desired effect, making the bones a

1 Yu, Ying-shi. *Scholars and Chinese Culture*. Shanghai People’s Publishing House, 1987, p.558.

2 “Strategies of Yan”, *Strategies of the Warring States*.

powerful advertisement.

Extensive Records of the Taiping Era includes a story about the origin of a famous wine, which reads like a masterful advertisement:

Liu Baiduo from Hedong was skilled in brewing wine. During the scorching heat of June, Liu stored wine in jars and exposed them to the sun. After ten days, the flavor of the wine remained unchanged. When consumed, it was fragrant and delicious, causing prolonged intoxication. When high-ranking officials in the capital were reassigned to posts outside the city, they would take this wine with them as gifts for distant friends and family, spreading its fame far and wide. Thus this wine is known as “Crane Wine,” was also called “Donkey Rider’s Brew.” During the Yongxi period, Mao Hongbin, the governor of Qingzhou, brought this wine to his new post. One night on the road, he encountered bandits who drank the wine, got drunk, and were subsequently captured. From then on, the wine was also known as “Bandit Catcher.” It was said among adventurers, “Drawn bows and unsheathed swords don’t scare us—only Liu Baiduo’s Spring Brew does!”¹

The wine’s aroma was so enticing that even bandits abandoned their loot for a taste, highlighting its allure. The adventurers’ slogan, “Drawn bows and unsheathed swords don’t scare us—only Liu Baiduo’s Spring Brew does!” emphasizes its uniqueness and makes everyone want to try it.

Extensive Records of the Taiping Era also recounts this story:

During the Later Wei period, a grave at the Putai Temple was opened for bricks, but a person was found alive inside. The Empress Dowager ordered the person to be questioned concerning his name, the time of his death, and what he wished to eat. He replied, “My name is Cui Han, styled Zihong, from Anping, Boling. My father was surnamed Chang, my mother’s surname was Wei, and we lived in Fucai Lane,

1 “Bandit-Catching Wine”, *Extensive Records of the Taiping Era*, Volume 233. Shanghai Ancient Books Publishing House, 1990.

west of the city. I died at fifteen and have been in the ground for twelve years, now making me twenty-seven. It feels like being in a drunken sleep with no need for food, and I sometimes wander around like in a dream.”

There is a district north of the Great Market in Luoyang called Shouzhong for funeral supplies and coffins (where people would get Han’s coffin). Han said, “Do not make me a cypress coffin with mulberry rafters.” When asked why, Han explained, “In the underworld, I saw a ghost army. One ghost claimed he was in a cypress coffin and was spared from the military draft. The official said, “Although you are in a cypress coffin, it has mulberry wood rafters, so you are not exempt.” Upon hearing this, people in the capital raised the price of cypress wood.¹

This was likely a ploy by coffin sellers to inflate the price of cypress coffins. Even if the tale of excavating a grave and Cui Han coming back to life wasn’t their doing, they took advantage of people’s superstitions for advertising.

Using famous figures for advertisements has ancient origins and is especially prevalent today. Ancient merchants likely got inspiration from a parable in the *Strategies of the Warring States: Strategies of Yan*:

A man had a fine horse for sale but stood in the market for three days without anyone noticing. He went to see Bole (a famous appraiser of horses) and said, “I have a fine horse for sale, but after standing in the market for three days, no one has approached me. Could you please go to the market, look at the horse, and then leave, glancing back at it? I will pay you for a morning’s work.” Bole agreed, went to the market, looked at the horse, and left, glancing back at it. The next day, the horse’s price increased tenfold.

Here we won’t discuss whether Bole, a revered horse appraiser, is ethical

1 “Cui Han”, *Extensive Records of the Taiping Era*, Volume 375. Shanghai Ancient Books Publishing House, 1990.

in aiding a horse seller for “a morning’s wage.’ The horse seller made use of the public’s trust in celebrities, and raised the horse value by tenfold overnight, proving his marketing strategy successful.

Celebrities’ fashion, behavior, and hobbies often became trends for ordinary people. As mentioned in the *Book of Master Han Fei*:

When Duke Huan of Qi favored wearing purple, the entire country followed suit. At the time, ten pieces of plain white cloth were not worth a single piece of purple cloth, so people dyed low-quality white cloth to make it purple to sell it at the price of tenfold.

According to *Book of Jin*, once a hometown acquaintance of Xie An, a high-ranking official, visited him after being dismissed from office. When asked about his travel expenses, he replied he only had 50,000 palm-leaf fans. Xie An “took one, causing a rush in the capital to buy these fans, raising their price several times over.”¹

Similarly, another story in the *Book of Jin* tells of a successful case of “celebrity endorsement.” During the Five Barbarians’ chaos in the late Western Jin period, Liu Yao captured the capital Chang’an as well as Emperor Min of Jin. The imperial court was moved south, and Emperor Yuan of Jin ascended the throne, appointing Wang Dao as prime minister. During this time, the country was to be rebuilt but the empty treasury had nothing but several thousand bolts of coarse silk. Wang Dao had high-ranking officials wear garments made from this coarse silk. Soon, everyone followed suit, inflating the silk’s price. Wang Dao then sold the silk, earning a substantial profit, resolving the court’s urgent needs.

To attract customers, small vendors have always relied on calling out to passersby. *Miscellaneous Records of Yanjing* notes, “In the capital, vendors with goods chant melodiously, captivating listeners.” Their calls varied by trade and season. Shops often focused on storefront decoration. *Miscellaneous Records of Yanjing* states, “Capital shops are elaborately decorated with carved reds and greens, brocade windows, and embroidered doors.” Some shops hung their

1 “Biography of Xie An”, *Book of Jin*.

signs high and lit colorful lanterns at night, making the streets as bright as day. They also displayed promotional pictures and calligraphy to attract customers. Some even posted calligraphy by famous people. The *Dream Record of the Eastern Capital* mentions that many food shops in Bianjing hung famous paintings to attract customers. The Song dynasty writer Su Dongpo once wrote a poem for a noodle vendor in Danzhou. The vendor then displayed it in his shop, attracting numerous customers and boosting his business.

These examples highlight the business tactics of ancient merchants. However, despite their experience and wisdom, the long-standing disdain for merchants often prevented thorough documentation of their strategies. It wasn't until the Ming and Qing dynasties, when commerce flourished and more scholars shifted from Confucian learning to trade, that books on commercial knowledge and techniques began to appear. Notable works like Huang Bian's *Unified Road Map*, the Qing-era compilation *Essentials for Scholars and Merchants*, and Wu Zhongfu's *Merchant's Handbook* were written. These books covered not only business skills but also offered philosophies on life and conduct.

Chapter Seven Challenges

Section One Victims of Exploitation

Throughout history, Chinese merchants always held a low social status. Feudal governments consistently enforced policies that disadvantaged merchants, often subjecting them to heavy taxes. As early as the Han dynasty, the government introduced various measures aimed at restricting merchant activities and limiting their profits. Some of these key measures included:

1. Degrading their social status and subjecting them to personal humiliation.

The Qin dynasty treated merchants as criminals, and the Han dynasty imposed on merchants numerous restrictions such as prohibiting them from wearing silk clothing, riding in carriages or on horses, holding official positions or purchasing land. For example, in the eighth year of Emperor Gaozu's reign (199 BCE), a decree stated "Merchants must not wear brocade, silk, or fine fabrics, carry weapons, or ride horses."¹ During the reigns of Emperor Hui and Empress Dowager Lü, "the descendants of city merchants were also prohibited from becoming officials."² "Registered merchants, along with their families, are not allowed to register farmland for agricultural use. Anyone who disobeys this rule will have their land and property confiscated."³ Under Emperor Ai,

1 Annals of Emperor Gao II, *Book of Han*.

2 Treatise on Food and Commodities II, *Book of Han*.

3 Treatise on Food and Commodities II, *Book of Han*.

“merchants were not allowed to own land or hold official positions; violators were punished according to the law.”¹ The goal was to degrade merchants to the status of despised “commoners,” making commerce seem like a shameful “lowly profession.”

2. Levying heavy taxes.

The government imposed additional taxes on merchants under various pretexts to minimize commercial profits. “All merchants involved in various trades, loans, and sales, as well as those who stockpile goods in towns for profit, whether or not they are registered in the marketplace, must declare their assets. They are taxed one *suan* (a tax unit) for every 2,000 coins of their asset. For those engaged in rental or minting, they are taxed one *suan* per 4,000 coins. Exceptions include officials, village elders, and northern border cavalry, who are taxed one *suan* per carriage; merchants transporting goods in carts are taxed at a rate of two *suan* per cart; and boats longer than five *zhang* (about 16 meters) are taxed one *suan*.”² Merchants were subjected to very high property taxes, and other assets such as carts and boats were taxed at a rate that was one to two times higher than those for ordinary people.

3. Implementing state-controlled commercial policies.

The government monopolized the most profitable industries, such as salt, iron, and alcohol, thus reducing the business scope for private merchants. These policies, known as price stabilization and equal distribution, were emulated by subsequent dynasties, who continually expanded the range of monopolized goods.

4. Devaluing currency.

The government frequently changed the currency system, resulting in the depreciation of the merchants’ assets.

5. Confiscating merchants’ property.

The Wealth Report Order directly confiscated the assets of merchants.³

1 Annals of Emperor Ai, *Book of Han*.

2 Treatise on Food and Commodities II, *Book of Han*.

3 Refer to Chapter One of this book for details.

These anti-commercial policies of the Han dynasty were adopted by later dynasties. For instance, during the Wei, Jin, and Northern and Southern dynasties, the emphasis on agriculture over commerce persisted:

In the fifth year of the Tai Shi reign (279 CE), a decree ordered local officials to maximize land productivity and ban wandering merchants.¹

Jin dynasty decree required merchants to wear distinctive clothing, including a white band on their foreheads and mismatched shoes---one black and one white, identifying themselves as merchants.²

Even the Northern Kingdom ruled by Fu Jian issued strict regulations:

Anyone below the rank of official was forbidden from riding in carriages or on horses within a hundred miles of the capital. Gold, silver, brocade, and silk could not be worn by merchants, laborers, or women. Violators were punished by death.³

These regulations were even more stringent than those of the Jin dynasty.

Even during the Tang dynasty, merchants were still ranked far below scholars and commoners. Artisans and traders were not only barred from holding official positions, but their interactions with the elite were also heavily restricted. The Song dynasty continued the tradition of discriminating against and suppressing merchants. Economically, the Song government exploited merchants for wealth. As Fan Zhongyan once said, “If we do not take from the mountains, marshes, or merchants, we must take from the farmers. Rather than hurting the farmers, it is better to take from the merchants.”⁴ The government could arbitrarily impose taxes on merchants, and any materials useful to the government would be expropriated. The merchants who had no choice but to join the trade groups as required by the government were called carriers. They were also tasked with handling the government’s unwanted items, liquidating assets, and investigating cases. For example:

1 “Annals of Emperor Wu”, *Book of Jin*.

2 *Imperial Reader of the Taiping Era*, Volume 828.

3 “Biography of Fu Jian”, *Book of Jin*.

4 “Officials”. *Collected Statutes of the Song Dynasty*, Volume 44.

The privately obtained goods or gifts for reception (by the officials) were all sold here. The items had fixed prices and were handed over to the merchants, who collected the cash and transported the goods northward in carts year after year.¹

Upon taking office, the county magistrate investigated clandestine plots, thefts, and unresolved cases by discreetly inquiring among the local gossipers, teahouses, wine shops, brothels, restaurants, pawnshops, horse brokers, money houses, and inns. Each commercial establishment had its informants, who provided information on individuals and activities. Through these channels, the magistrate obtained extensive and detailed intelligence, leaving nothing unknown.²

“Harmonized purchases” were a disguised form of expropriation. These were items that, unlike goods supplied to various industries without compensation, were needed by the imperial court and government offices and had to be purchased with cash. The imperial court set up special Miscellaneous Supply Offices to directly manage these purchases. They often forced guilds to sell goods at low prices under the guise of “harmonized purchases.” In addition, the officials in charge would frequently seize goods for their own gain, enriching themselves in the process. For example:

On May 9, 1006, during the Jingde period, an order was issued for the Miscellaneous Supply Office to buy necessary items with cash. From then on, purchases must be made according to the official price list, and inferior goods must not be provided. Sheep bought for the court must be verified by officials and delivered with official seals and documents.³

In April 1141, during the Shaoxing period, officials reported that local carriers had set fixed prices for goods to be purchased by officials. Corrupt officials, however, manipulated the prices, offering low prices to

1 Lou Yue. “December 10th, 5th Year of Qiandao”, *Diary of the Northern Journey*, Volume 1.

2 Zhao Su. “Guide to Official Studies”, “Nine Essentials of Governance”, “Governance No. 8”, *Complete Collection of Essential Matters for Home Use*, Xin Collection.

3 “Food and Commodities”, *Essential Documents of the Song Dynasty*, Volume 55.

high-quality goods inflating costs several times over, causing significant losses to merchants.¹

Now, when officials buy goods at the official price, the market value is often two or three times higher than that. Delays in payment and corruption among officials force some merchants to relocate or change professions to avoid bankruptcy. Small traders and vendors survive on thin profits from everyday items. However, even these essential goods are often forcibly bought at low official prices, causing them significant financial losses.²

The transaction did not involve payment or proper compensation; instead, a fabricated reason was used to extort goods, making it no longer a normal trade. Delays in delivery result in beatings and punishment. It is obvious that “harmonized buying” is anything but harmonious.³

Therefore, the so-called “harmonized purchases” was a plunder by nature.

In the Yuan dynasty, the social status of artisans and merchants was akin to slavery or semi-slavery. Merchants were under strict control of the government, having no freedom in their trade. For instance:

On the fourth day of the eighth month of the fifth year of the Zhongtong period, an imperial decree stated: “All merchants and travelers must first register with local authorities and obtain a public permit before conducting business elsewhere. Permits must be renewed if business is not completed within the allotted time. Travel through checkpoints and ferry crossings requires permit verification. Those without permits will not be allowed to stay. Violators will be punished with 27 lashes.⁴

1 “Food and Commodities”, *Essential Documents of the Song Dynasty*, Volume 64.

2 “On the Equal Transport Market and Purchasing” (quoting ministers’ statements from the 7th year of Chunxi during Emperor Lizong’s reign), *Continued Comprehensive Examination of Literature*, Volume 25.

3 *Ibid.*, quoting Censor Li Mingfu’s memorial during the Shaoding period.

4 “Pass Inspection and Release of Travelers”, *Great Yuan Sacred Government: National Court Regulations, Ministry of Punishments*, Volume 13.

Merchants frequently suffered extortion and harassment from government officials and powerful families:

In March of the 25th year of the Zhiyuan era (1288), the Ministry of State Affairs issued a decree: ... It has come to our attention that the heads of the grain transportation office and the boatmen have been using the pretext of transporting official grain to engage in unauthorized trading along the Grand Canal, causing disturbances. They have forced the goods to be unloaded, disrupting trade and causing prices in the capital to rise.¹

On March 28th in the year of Zhiyuan (1291), an imperial decree noted: For several years, merchants have been driven away by powerful families who monopolize markets and seize profits, resulting in higher prices due to reduced trade.²

In August of the 1st year of Huangqing (1312), the Central Secretariat observed that in the sheep market of Dadu, officials were appointed to handle tax collections on furs. When the government purchased goods, they were supposed to pay fair prices. However, those assigned to buy sheep often coerced sheep owners into selling at low prices. They also delayed payments or resold for profit. Additionally, influential families used their power to force purchases. The investigation revealed that various government offices frequently issued unauthorized orders to forcibly buy sheep from the market, causing significant disruption to travelers and merchants.³

The Yuan dynasty adopted policies similar to those of the Song, requiring all trades to provide goods or pay in cash to the government. This placed a heavy burden on merchants and caused a decline in commerce. Despite repeated government decrees to ban such corrupt practices, officials and powerful families continued their misconduct without restraint. They

1 “Miscellaneous Orders: Detainment of Carriages and Boats”, *Comprehensive Regulations*, Volume 27.

2 “Custom, Market and Brokers”, *Comprehensive Regulations*, Volume 12.

3 “Custom, Market and Brokers”, *Comprehensive Regulations*, Volume 12.

“arrogantly seized goods as if in a race against time, with local officials following suit and without restraint. They exploited and extorted the people more severely than ever before.”¹ “The so-called harmonious purchases ignored what merchants actually had, forcing them to sell regardless. Worse yet, no payment was ever made, causing immense hardship. Families had to sell off their belongings, and even their children, just to meet the government’s demands.”² “Corrupt practices were rampant, including leveraging official power to buy cheaply and sell at high prices, exploiting people for profit, skimming off payments, and exchanging good currency for worthless money.”³ This widespread exploitation and oppression drove Yuan dynasty merchants in a desperate state. Treated as serfs, they lost all the desire to conduct business.

Although the Ming dynasty overthrew the oppressive Yuan regime, it inherited many of its systems. The Ming government continued to control merchants and interfere with commercial activities by regulating prices and giving mandates like:

*If a merchant deliberately sets prices too high or too low when assessing the value of goods, causing consumers to pay unfair prices, the merchant will be considered guilty of a crime. The severity of the crime will be calculated based on the inflated or reduced prices, and they will be punished according to the laws for embezzlement. If the merchant keeps the unfair profits for themselves, this will be treated as theft and punished accordingly, but without corporal branding.*⁴

In 1369, the Hongwu Emperor implemented a standardized system of weights and measures, punishing violators according to the law. The Ming Legal Codes also prohibited market monopolies:

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- 1 Wang Yun. “Thirty-Five Matters of Public Convenience”, *Complete Literary Collection of Qiu Jian*, Volume 9.
 - 2 “Harmonious Purchasing”, “Ministry of Revenue” Section 12, *Great Yuan Sacred Government: National Court Regulations*, Volume 26.
 - 3 “Harmonious Purchasing”, “Ministry of Revenue” Section 12, *Great Yuan Sacred Government: National Court Regulations*, Volume 26.
 - 4 “Household Laws: Markets and Shops, Market Officials Evaluate Prices”, *Collected Explanations of the Ming Code with Supplementary Cases*, Volume 10.

Anyone monopolizing the market to manipulate prices, conspiring with brokers to sell low and buy high, shall be punished with 80 lashes. Those who deceive others to gain profits shall receive 40 lashes. If the illicit profits are significant, they will be treated as thieves and punished accordingly, but without corporal branding.

In addition, the government banned the transport of contraband goods, and had shop owners registered for easier extortion.¹

The Ming and Qing governments were particularly harsh on merchants, employing varied methods of extortion. One example is the practice of “silver tax,” where shop owners were required to pay silver based on their category to replace the obligation of providing services. However, even after collecting the silver, the Ming government still demanded that shop owners supply goods and services, including additional annual fees, miscellaneous charges, and bribes demanded by officials. This placed an unbearable burden on merchants. Take Beijing for instance:

The initial intention of collecting silver was to exempt merchants’ labor, similar to the ancient practice of exempting corvée labor by paying a fee. However, over time, the policy was no longer followed in practice. Officials frequently needed urgent supplies and, unable to meet demands with the collected silver, imposed additional burdens on merchants. This made merchants constantly go into bankruptcy.²

Another method was “harmonized purchases,” where shop owners had to report market prices to officials, who would review and report to their superiors. When the government needed goods, it purchased them at these set prices. This practice sounded fair, but in fact was a kind of official robbery. For instance:

In the Chenghua period, Censor Chen Lu said, “At Guanglu, officials use their power to forcibly seize goods, and for merchants,

1 Fu Zhufu. “The Chinese Industrial and Commercial Guilds and Their Characteristics”, In *Collected Essays on Chinese Economic History*. Sanlian Bookstore, 1980.

2 Shen Bang. *Miscellaneous Records of Wan Office*, Volume 13.

dealing with them feels like being robbed.”...Grand Secretary Peng Shi also said, “The local government of Guanglu appoints corrupt individuals to manage purchases, who use public resources for personal gain, stripping the people of their livelihood.”¹

In the early Wanli period, the burdens on shop owners became even heavier. Eunuchs who handled the imperial offerings demanded bribes under the guise of “pudian expense” (meaning the expense to grease the wheels). However, the support or returns received were not enough to cover these costs. Shop owners could not bear the burden and were forced to hide and evade the demands. Wealthy households in the capital were conscripted as official merchants, and those who were chosen regarded it as a death sentence, paying heavy bribes to avoid it. Officials from many departments secretly tracked these conscripts as if they were criminals. The magistrate Liu Yueshu observed that ‘once being made a conscripted merchant, all his asset is seized, leaving him nothing behind.’... By the reign of Emperor Xizong, the burden on merchants became greater, with some even supplying goods to the government without receiving a single coin in return.²

If corruption was so widespread in the capital, right under the emperor’s nose, one can only imagine how greedy and ruthless local officials and clerks were in the remote provinces. In Nanjing, even minor officials issued orders forcing subordinates to buy goods at half price. “For example, if a fan was worth two coins, they would pay only one.” The situation with local officials was even worse, marked by arrogance and oppression. Experienced clerks in Nanjing issued purchase orders, making local residents pay. When individuals went to the office for the first time to settle these payments, they were often berated, beaten, and sent away. Then, the clerks would visit each household, demanding payment. Families quickly realized that trying to settle the matter at the office meant bribes at every step: couriers demanded money, the *yamen*

1 “Treatise on Food and Commodities”, *The History of the Ming Dynasty*, Volume 6.

2 “Treatise on Food and Commodities”, *The History of the Ming Dynasty*, Volume 6.

doormen expected payments, clerks required bribes, and any shortfall led to punishment. In the end, they found it easier to pay two or three silver coins to the collector at their door, buying their way out. Satisfied with his bribe, the collector would move from house to house, collecting bribes until he was satisfied.¹ This level of corruption was rampant in Nanjing, the secondary capital of the Ming dynasty, leaving little doubt that conditions in other regions were likely even worse.

Another example is the “official duties” or “official assignments,” where the government could directly demand or requisition goods and services from merchants without compensation based on its needs. For instance, in the capital city of Beijing:

Investigations in the capital revealed that shop owners from various regions were subject to heavy taxes, regardless of their wealth. Wealthy merchants, with assets in the millions, could use their connections to avoid these official duties, but smaller shopkeepers with only a few pieces of silver were always assigned the burden. The initial registration process was rushed, and once registered, records couldn't be changed. The rich managed to stay off the lists, while poorer merchants were trapped in these duties. Even after their capital was depleted, their shops closed, or they had fled, authorities continued to pursue them, often holding landlords accountable. To make matters worse, when government departments demanded goods, their agents would seize them by force, without payment. Even when payment was promised, it was often delayed for months, undervalued, or paid in substandard silver. This kind of corruption was especially rampant in the capital.²

This “official duty” system was widely implemented during the Ming and Qing dynasties. Despite the government repeatedly issuing orders to prohibit officials from harassing merchants in response to their persistent complaints,

1 Zhou Hui. “He Yuanlang’s Collected Sayings”, *Second Supplement to Miscellaneous Affairs of Nanjing*, Lower Volume.

2 Shen Bang. *Miscellaneous Records of Wan Office*, Volume 13.

these orders were largely ineffective and often served as little more than formalities. As noted in a joint petition from timber shop owners in Changshu County, Suzhou Prefecture, in the 44th year of Wanli (1616):

Merchants have long suffered under the “official duty” system, which was supposed to have been abolished for some time. However, in the remote region of Changshu, officials continue to exploit us, issuing demands to requisition materials at will and engaging in private deals without oversight. We travel great distances for our business, purchasing timber, paying taxes at customs, and selling through official channels. Yet, whenever there is a need for repairing warships or other projects, officials manipulate the situation for their own benefit. Despite having the value of our goods assessed, we receive no payment. Instead, we are given red tickets and forced to provide supplies, unable to refuse. Even when the work is completed, there is no compensation. We desperate merchants are left struggling, our capital drained, and our livelihoods threatened.¹

In the seventh year of the Chongzhen reign (1634), Zhu Yuan and other oil and general goods shopkeepers from Changshu County presented a petition stating:

We are small traders who rely on selling oil and sundry goods to make a living. For a long time, the county clerks have been extorting and harassing us, forcing us to provide goods under the pretext of “official duty” assignments. Whether it’s for official inspections, repairs to boats, renovations of county offices, or seasonal rituals, we are constantly ordered to supply goods or provide loans, with the promise of reimbursement by the government. But payments rarely come, and when they do, the clerks take most of the money, leaving us with just a small portion. Our profits are already thin, and we cannot afford these losses. Many of us have depleted our capital and shut down our businesses,

1 “Stele Prohibiting Shops from Supplying Wood”, *Selected Inscriptions from the Ming and Qing Dynasties in Jiangsu Province*.

while others have been forced to relocate. We are in a state of constant distress. In recent years, the clerks' demands have become relentless, imposing taxes and fines without any regard, making it impossible for us to stay afloat. This is truly adding insult to injury, and we have no choice but to cry out for help.¹

Small vendors were faced with severe harassment and extortion. Even the wealthy merchants were often seen as “prey” that everyone could take a bite. The increasing “floating expenses” became unbearable.

Take the Huizhou merchants of the Ming and Qing dynasties as an example. They consistently relied on the support of the feudal government, whether by making donations to acquire official titles, educating their children to enter the bureaucracy, or forming alliances with powerful officials to secure commercial privileges. Despite these advantages and favorable business conditions, Huizhou merchants were still subjected to relentless government extortion. These exploitative practices included:

1. Heavy taxation.

For instance, the official salt tax increased dramatically for the salt fields in the north and south of the Huaihe River, which were crucial for the business of Huizhou merchants. In the early Qing period, the annual tax was “about 900,000 taels of silver. Even with various additional fees, the tax totaled around 1.8 million taels.”² By the Qianlong era, “it had risen to over 4 million taels,” and by the 20th year of the Jiaqing period (1815), “it had soared to more than 8 million taels annually.”³ This figure didn’t even account for the unofficial levies imposed by local officials.

2. Frequent donations.

Though framed as voluntary contributions to the imperial court, donations were factually another form of extortion. For example, during the Wanli period, the merchant Wu Yangchun once donated 300,000 taels

1 “Stone Inscription Prohibiting the Purchase of Goods at Low Prices and the Use of Official Prices for Private Transactions”, *Selected Inscriptions from the Ming and Qing Dynasties in Jiangsu Province*.

2 Tao Shu. *Complete Works of Tao Wenyi Gong*, Volume 14.

3 Tao Shu. *Complete Works of Tao Wenyi Gong*, Volume 14.

of silver to the court. In the Qing dynasty, the amounts were staggering. According to the Jiaqing *Salt Law Chronicles of the North and South Huai River*, salt merchants in this area donated a total of 39,302,196 taels of silver, 21,500 *dan* of rice (2,595.05 tons) and 329,460 *dan* of grain (39,535.2 tons) from the 10th year of Kangxi to the 9th year of Jiaqing (1671-1804). These donations often amount to hundreds of thousands or millions of taels. If merchants couldn't fulfill their pledged donations, the amount would be converted into debts owed to the government to be collected with interest along with the next year's taxes. Frequent donations in large amount made many merchants almost bankrupt. For instance, the prominent salt merchant Jiang Chun was often on the brink of bankruptcy whenever he was forced to make "immediate large donations amounting to millions". He eventually had to borrow funds to sustain his business. The *Salt Law Chronicles of the Qing Dynasty* states:

*Salt merchants have long been known for their wealth, with those from the regions of the north and south Huai River being the richest in the world. During the prosperous Qianlong period, whenever there were large public works or projects, they contributed vast sums of money... However, with frequent occurrences of floods and droughts, hardly a year went by without such calamities, leaving the merchants increasingly exhausted.*¹

3. Disaster relief and military support.

In addition to taxes, the government encouraged merchants to contribute to disaster relief and military expenses. While disaster relief might demonstrate the merchants' social responsibility, contributions to military funds were clearly a blatant form of extortion. If merchants failed to support these causes, they risked losing their business privileges and facing various harassment, or even having their properties confiscated and lives endangered. Merchants thus had to suffer the financial strain with a forced smile. For example, in August of the 38th year of Qianlong (1773), salt merchants from *the regions of north*

1 "Miscellaneous Records: Contributions", *Treatise on the Qing Salt Law*, Volume 153.

and south Huai River contributed 4 million taels of silver for military expenses for the suppression of the Jinchuan rebellions. In January of the 53rd year of Qianlong (1788), Merchants Jiang Guangda and Cheng Jiande “voluntarily” donated 2 million taels of silver to fund rewards for the Taiwan campaign.”¹ According to “Food and Commodities” in *Draft History of Qing Dynasty*, volume 123:

Following the two Jinchuan campaigns during the Qianlong era, there were several military actions, including the pacification of the western regions, the establishment of farms in Yili, Xinjiang, the suppression of the White Lotus Rebellion, and later military campaigns in Tibet, as well as uprisings in Sichuan and Hubei during the early Jiaqing period. Merchants from Huai, Zhejiang, Anhui, and Jiangsu contributed vast sums, ranging from hundreds of thousands to millions, amounting to no less than 30 million taels in total.

These massive contributions drained the merchants’ capital, leading to their financial exhaustion.

4. Extortion.

Beyond the heavy taxes required by law and the contributions encouraged by the Qing government, Huizhou merchants were also subject to countless forms of extortion by bureaucrats of all levels. These officials saw merchants as “prey,” extorting money from them relentlessly. During the Kangxi era, salt merchants in the Huai region were burdened with three significant extra expenses called “floating expenses”:

1) Greeting gifts: Every official, whether currently in office, awaiting assignment, or traveling to the capital, demanded “travel gifts” whenever they passed through Huaiyang, regardless of any prior connection with the merchants. These officials would not relent until their greed was satisfied.

2) Customary tributes. Local government offices, whether related to salt affairs or not, would often extort bribes named “customary tribute” from the merchants.

¹ *Treatise on the Salt Law of Lianghuai, Guangxu Era*, Volume 145.

3) Farewell gratitude. Initially, this was collected annually when censors completed their terms, but it eventually expanded to all high-ranking officials, regardless of proximity or personal connection. Upon completing their terms, these officials would demand “farewell gratitude” money from the merchants.

The three extra expenses cost merchants “thousands upon thousands” annually, severely disrupting the business operations of Huizhou merchants.

The renowned Shanxi merchants had similar troubles. Known for their wealth, they became a prime target for the Qing dynasty’s forced contributions and donations for military expenses. During the Qianlong era, when the Qing treasury was strained due to the Jinchuan rebellions, Shanxi salt merchants were compelled to donate “1.1 million taels of silver. Thirty prominent merchants, including Guo Jichuan, were appointed to lead groups of three to four merchants each to transport military supplies to Sichuan.”¹ In the Jiaqing period, during the White Lotus Rebellion, the wealthy merchants of Shanxi were once again subjected to forced contributions, initially set at 2.18 million taels of silver. The emperor, “finding the amount excessive, ordered only 1.5 million taels to be collected, with the rest supposedly to be returned to the merchants by the Shanxi governor Bolin.” However, the returned silver was embezzled by provincial and county officials under the pretense of a “loan of 100,000 taels”.² Later, as a result of the indemnities from the Opium War and the costs of suppressing the Taiping Rebellion, the policy of forced donations and loans drove many wealthy families into poverty, with some even falling into complete ruin.

The merchants donated a staggering amount of money. So, did they willingly part with such a large sum of money? Absolutely not. They had no choice but to comply.

The traditional culture warned against flaunting wealth, but low-status merchants often used their wealth to gain social recognition. Their affluent

1 “38th Year of Qianlong, October, Gengyin Day”, *Veritable Records of Emperor Gaozong of the Qing Dynasty*, Volume 944.

2 “5th Year of Jiaqing, September, Dingwei Day”, *Veritable Records of Emperor Renzong of the Qing Dynasty*, Volume 74.

lifestyles, often more luxurious than those of officials, drew envy and scrutiny. Even the highest echelons of power were not immune to this jealousy. It was said that the Ming Emperor Hongwu once wrote a poem lamenting the leisurely life of a wealthy merchant. The poem goes like this:

*Before the court has risen, I am already awake;
Long after they've retired, I remain at my stake.
How unlike the wealthy lords of the southern land,
Who lie in their beds till the sun stands high and grand.*

Reading the poem, a wealthy merchant from Anting in Jiading County sensed something ominous. Perceiving the emperor's jealousy, he promptly entrusted his wealth and properties to his stewards and servants, and, taking his wife and children, he wandered off into the countryside. Not long after, the fortunes of the wealthy in Jiangnan were confiscated, but Wan Er managed to escape this fate.¹

Even a powerful ruler like Emperor Qianlong couldn't help but envy the wealth of merchants. He once marveled at their riches, saying, "Man, these merchants are loaded—richer than I am!" After witnessing the immense financial power of the salt merchants in the Huai region, he famously scolded one of his sons for oversleeping by saying, "If you seek ease and luxury, why not be born as the son of a Huainan merchant rather than in my family?"² Qianlong visited the south of the Yangtze River six times, always making Yangzhou his main stop, drawn by the luxurious lifestyle provided by the wealthy merchants there. Yangzhou was a bustling metropolis, teeming with commerce and entertainment, where merchants competed to impress the emperor with extravagant displays. To delight the emperor, the wealthy merchant Jiang Chun even built a replica of the White Pagoda from Beijing's Beihai Park in just one night at the Dahong Garden in Yangzhou. This astonished Qianlong, who exclaimed, "The financial power of these salt

1 Zhu Daxiong. *Cultural Insights of Traditional Chinese Merchants*. Hai Tian Publishing House, 1993, p.85-86.

2 "Five Incidents from Emperor Gaozong's Southern Inspection", *Chronicle of Significant Events of the Qing Dynasty*, Volume 1.

merchants is truly remarkable!”

Faced with the dilemma of not being able to hide their wealth and the risks that displaying it could bring, merchants often resorted to donating large sums to disaster relief and military funds as a way to ward off potential dangers. Though it appeared as voluntary generosity, it was often a necessity to avoid trouble.

Section Two The Fights

In a despotic society where private property rights were not protected, the legitimacy of a merchant’s wealth was always open to question. Only agricultural and textile production were considered true social wealth, while commercial profits from buying low and selling high were viewed as mere exploitation of farmers. This was a common belief in traditional society. In times of stability, this perspective didn’t lead to serious consequences, as farmers and merchants went about their way of making a living. However, during periods of economic disruption and social unrest, widespread resentment toward merchants—seen as “parasitic”—could have devastating consequences for the merchant class. Historical examples include Emperor Wu of Han’s property confiscation campaigns and outlaws robbing the rich to help the poor. When Li Zicheng and his peasant army took over Beijing, one of their key actions was to “reclaim wealth” from officials and wealthy merchants. An example from the 23rd volume of the *Chronicles of the North Ming Dynasty* illustrates this:

Wang Ji, a Huizhou native residing in the capital, had amassed a fortune of tens of thousands. When Li Zicheng entered the city, Wang, fearing for his wealth, proposed to lead troops in a southern expedition to prove his loyalty. Suspecting deceit, Li’s advisor Song Xiang suggested it was a ploy. Li then ordered the confiscation of Wang’s assets amounting to 100,000 teasles and subjected him to brutal interrogation, resulting

in Wang's death after drinking three bowls of poisonous water.

Such instances reveal the dire straits merchants often found themselves in.

To mitigate these risks, merchants devised various strategies, such as:

1. Making donations for favor. Merchants would make substantial donations to gain the favor of the emperor and the government.

2. Purchasing official titles. By buying official titles, merchants could both bring honor to their families and enjoy the privileges of being an “official.” Hu Guangyong, a prominent late Qing dynasty merchant also known as Xueyan, “was appointed to the rank of Acting Provincial Governor of Jiangxi, held the title of Provincial Treasurer, attained the rank of first-grade official with the privilege of wearing the top-grade official hat, and was awarded the imperial yellow riding jacket, receiving multiple honors from the emperor’s hand-written commendations,”¹ earning him the nickname “the Red-Topped Merchant.” With such prestige, his business ventures were always successful. Even in modern times, merchants continued to pursue official ranks through donations. For instance, 85% members of the third session of the Suzhou Chamber of Commerce had acquired their titles through donations.² As the early Qing scholar Gu Yanwu observed, once a commoner became a student-official, they were “exempt from labor duties, shielded from harassment by local clerks, respected among the gentry, and could meet with officials without the fear of corporal punishment. Therefore, the desire to become a student-official was not necessarily driven by a pursuit of fame and fortune, but rather to protect one’s family and assets.”³ Similarly, once a merchant acquired an official title, they could safeguard their business operations and commercial interests.

3. Preparing children for official careers. Although purchasing official titles was an option, the most reliable strategy was to educate their children

1 Xu Yishi. “On Hu Xueyan”, *Collected Essays of Yishi*, in *Modern Anecdotes Collection*, Volume 2.

2 Cited in Ma Min, *Between Officials and Merchants*, from *Archives of the Suzhou Chamber of Commerce in the Late Qing Dynasty*.

3 Gu Yanwu. *Record of the Benefits and Harms of Counties and States*.

for government positions. With strong family and local connections, having a family member in the government provided protection and ensured the success of their business. For example, when Xu Chengxuan, a descendant of the salt merchants from Tangmo in Shexian, served as the Chief Censor in the Ministry of Works, he strongly “criticized the corrupt practices at the Wutang customs office in Yangzhou, describing it as ‘a checkpoint outside of the official checkpoints, and a tax beyond the official taxes’, passionately arguing against it, bringing relief to the local people.”¹ Similarly, another example is the head merchant Cao Zhen, who “resided in Yangzhou and was relied upon by many people from the north of the Huai River,” because his father Cao Wenzhi was a Minister of Revenue, and his brother Zhen Yong served as a Grand Secretary.² Merchants invested heavily in nurturing political representatives within their families, as highlighted in the *Mingzhou Wu Family Code*, which emphasized supporting promising youths to achieve scholarly and official success.

*For those in the clan who show exceptional potential and intelligence but lack the means to afford education, it is the responsibility of the family to provide for their learning. This can be done either by enrolling them in the family school or by providing financial assistance. Cultivating one or two exemplary individuals who can serve as future role models is not only the hope of the clan but also a great honor to our ancestors—a matter of significant importance.*³

Huizhou, renowned for its merchants who valued Confucianism, was home to numerous academies funded by merchant donations. With the strong support and encouragement of these merchants, the success rate of their offspring in the imperial examinations significantly increased. Using Huizhou as an example, *Huizhou Prefecture Records of Imperial Examinations* and local historical records reveal that during the Ming dynasty, 298 individuals

1 “Biographies: Records of Officials”, *History of She County*.

2 *Records of the Pleasure Boats of Yangzhou*, Volume 10.

3 *Selected Materials on Huizhou Merchants in the Ming and Qing Dynasties*, p.476.

passed the provincial examination (*juven*), and 392 passed the metropolitan examination (*jinsshi*). In the Qing dynasty, 698 became *juven*, and 226 *jinsshi*. Many of these successful candidates went on to hold high-ranking positions within the ruling class. For instance, Shexian County alone produced one Grand Secretary, one Minister, nine Vice Ministers, five Presidents of the Board, four Censors, two Editors, five Provincial Governors, six Imperial Censors, four Inspectors, one Prefect, and one Chief Examiner following the Jiajing reign of the Ming dynasty. During the Qing dynasty, the county produced fifteen Grand Secretaries, four Grand Ministers, twenty-one Vice Ministers, seven Ministers, and seven Censors-in-Chief. These individuals, having achieved high-ranking positions, became extensions of the merchants' influence.

Huizhou merchants held a competitive advantage in securing the salt monopoly primarily due to their close ties with the feudal political elite. Salt had long been a state-controlled commodity in China, and during the Wanli reign of the Ming dynasty, the “gang system” was implemented, registering salt merchants in the official salt registers and granting them hereditary monopoly rights. Merchants from various regions fiercely competed for these exclusive privileges, and their success hinged on how well they aligned with the ruling class.

To retain their hereditary salt monopoly, it was essential for these merchants to obtain the status of “official merchants”. According to the *Salt Laws of Lianghuai* from the Jiaqing period, there were two ways to become an official merchant:

First, “Huai merchants who entered the official register and established a separate household registry were designated as official merchants, exempt from the demands and extra fees of government officials.” Second, “merchants trading in salt who had descendants serving as officials at court could establish themselves as official merchants, often paying only half the required public fees or, in some cases, nothing at all.” Both pathways were relatively accessible for Huizhou merchants, further solidifying their dominance in the salt trade.

4. Forming alliances through marriage. A passage from the second volume of *Slapping the Table in Amazement* describes the story of a wealthy merchant in Yangzhou who adopts a girl named Jiang Ainiang with the hope of arranging a favorable marriage. The story unfolds as follows:

...A government official, Minister Han, passes through Yangzhou on his way to a new post. His wife was ill, and he needed a concubine to take care of her. It so happened that the people of Huizhou had a peculiar fondness for official titles and red embroidered shoes, caring little for anything else besides these two things. Upon hearing that Minister Han was seeking a concubine, the Huizhou merchant was immediately overjoyed, eager to seize the opportunity.... Han's household sent someone to evaluate the prospective match, and they were thoroughly pleased with what they saw. The merchant, claiming Ainiang as his adopted daughter, was not interested in financial gain; instead, he provided a substantial dowry, content with the prestige of the connection. The Han family, being of high official status, did not haggle over the dowry but offered a generous gift of hairpins, jewelry, silk fabrics, and several hundred gold pieces. The merchant gladly accepted, making the wedding preparations even more grand. He donned grand attire and arranged a lavish procession to send Ainiang to the official's boat. Minister Han and his wife, upon seeing Ainiang's grace and proper manners, were delighted and began to treat her with greater esteem....

After arriving in the capital, Minister Han's wife unfortunately fell gravely ill and passed away. Ainiang, now in charge of the household, managed everything so efficiently that she earned the admiration of everyone, surpassing even the former lady of the house. Impressed, Minister Han chose an auspicious day to formally establish Ainiang as his wife. With the new era of the Hongzhi Emperor, Ainiang was officially recognized and granted the title of lady.... The merchant, now her adoptive father, maintained close ties with the Han family,

visiting frequently.

For the merchant, marrying his daughter to a high-ranking official was a dream coming true, especially when she eventually became a “madam” in the household, ensuring that their ties to the powerful family remained strong and unbroken.

5. Buying land and hoarding wealth. In feudal times, “gaining wealth through commerce and preserving it through land” was a tried-and-true method for merchants to mitigate risk. Many merchants invested most profits in land, effectively becoming both landlords and merchants.

For instance, the Sun family, who owned the Yutang Soy Sauce Shop in the southeastern suburb of Jining, Shandong, increased their capital from 4,000 taels of silver during the Jiaqing reign to 100,000 taels by the end of the Qing dynasty. They also acquired over 10,000 mu (667 hectares) of land across several counties near Dushan Lake, including Jining, Yutai, Jinxiang, and Qufu. The Meng family, who operated the Badaxiang fabric store in Zhangqiu County, also accumulated vast amounts of land. After accumulating wealth through trade, Liu Zishi from Puzhou did not reinvest his profits into expanding his business. Instead, “over a period of more than twenty years, he acquired vast tracts of farmland and amassed tens of thousands of taels of gold. He even constructed a building to store his fortune, filling it with large gold ingots, each weighing over forty taels and kept in earthenware jars. He placed boards over the jars and slept and ate directly above them”.¹

Jin merchants were especially known for hoarding their wealth in hidden caches. A prime example is Qu Xiaozhou, a wealthy merchant from Qixian, whose fortune was said to be between three to four million taels of silver. Believing it was safer to hide his wealth rather than reinvest it, he stored away large sums. After the Xinhai Revolution, Chinese warlord Yan Xishan borrowed 300,000 taels of silver from the Qu family, revealing just how much silver they had stashed away.

6. Engaging in smuggling. To resist the restrictive monopoly system

¹ “Biographies of Wealth Accumulators”, *Puzhou Annals of Kangxi Era*, Volume 4.

and heavy taxes imposed by the feudal state, many merchants turned to risky smuggling activities. During the Ming and Qing dynasties, large-scale smuggling operations—often disguised as overseas trade—flourished along the Fujian coast.

One notable example is the widespread illicit salt trade. In 1437, the Ming government issued an edict stating that impoverished salt workers from the Huai and Zhejiang regions must continue paying salt taxes but were prohibited from selling any surplus. Despite this, many salt workers, boatmen, cart drivers, peddlers, and so-called “idlers and ruffians” defied the order, joining the illegal salt trade. Bao Shichen commented in his essay “Miscellaneous Notes from Xiaojun You Pavilion II” of the fifth volume of *Four Writings of An Wu* that:

Smuggled salt is cheaper, purer, and accurately weighed. All the burdens the official salt trade imposes on the people serve to benefit the smugglers. Recently, a surcharge of three li (cents) for river transport has been added to official salt, raising its price by five wen (cents) per half kilo, making smuggled salt even more accessible. Smuggled salt avoids the bureaucratic troubles and delays of the official system. With lower costs, it sells at cheaper prices, allowing the smuggling trade to flourish while the official trade stagnates further.

Salt smugglers boldly challenged the feudal authorities and often became the driving force behind major uprisings. This was evident in the rebellions led by Huang Chao, Wang Xianzhi, Zhang Shicheng, and Wang Lun.

Merchants were expected to drive social and economic activity, conducting business in pursuit of profit based on the natural demands of the market. However, as feudal society developed, their activities increasingly influenced the feudal economic structure, political struggles, and cultural ideology. Consequently, feudal authorities sought to confine merchants’ operations within the limits of the established economic, political, and cultural system. Merchants who dared to operate beyond these limits were labeled “bandits” or “thieves” and faced harsh punishments.

By the mid-Ming dynasty, private maritime trade, fueled by free capital, flourished along China's southeastern coast. Records from the Chenghua and Hongzhi periods describe how "wealthy and influential families operated large ships for overseas trade," and "coastal magnates secretly built vessels, engaging in annual foreign trade."¹ Yuegang, a port located 50 miles southeast of Zhangzhou, became a major hub for smuggling operations. Wealthy patrons financed these ventures, while the poor worked as laborers on long sea voyages, trading Chinese goods for foreign merchandise and reaping tenfold profits.

Despite strict government bans, the lure of profit ensured that smuggling persisted, even becoming common practice. During the Zhengde and Jiajing periods (1506-1556), smuggling and overseas trade along the Fujian coast made significant advances. It became common practice for coastal residents to engage in maritime commerce. Wealthy families often sheltered vagrants, secretly built large ships, and stockpiled grain, relying on these activities for profit. As the saying goes, "They made their living by sailing overseas for trade, with influential households frequently hiding vagrants, building ships in secret, and supporting each other for mutual gain."² The smuggling trade led to the development of numerous commercial ports along the Fujian coast. For example, in the waters near Yuegang, "tens of thousands of large ships would hoist their sails and ride the winds across the vast ocean every year after the early summer." "The people of Fujian and Zhangzhou frequently traded with foreign merchants, with ships constantly exchanging goods on the high seas."³ According to Zhang Xie's *Study of the East and West Oceans*, Yuegang in Zhangzhou alone traded with over 40 countries and regions across oceans both in the east and west. Export goods included handicrafts, minerals, aquatic products, agricultural by-products, animal products, preserved fruits, cultural items, and traditional Chinese medicines, totaling 230 types. Imports ranged

1 Zhang Xie, "Study on Taxes and Levies", *Study on the East and West Oceans*, Volume 7.

2 *Veritable Records of Emperor Shizong of the Ming Dynasty*, Volume 189.

3 Hu Zongxian, *Compilation on Coastal Defense*, Volume 4.

from traditional spices and precious goods to raw materials, manufactured products, agricultural by-products, and minerals, exceeding 100 types.

The expansion of overseas trade brought substantial profits to Fujian maritime merchants, strengthening their influence. However, this growth clashed with the Ming government's official tribute trade system and sea ban policies. In the second year of Jiajing (1523), the "tribute dispute" involving Japanese traders in Ningbo led the Ming government to enforce stricter sea bans. These measures failed to curb smuggling but instead provoked armed resistance from private maritime trade groups. By the mid to the late Jiajing period, this tension culminated in the "pirate crisis," which plagued southeastern provinces for over a decade.

Scholars have noted that most "pirates" during the Jiajing period were not Japanese but Chinese, such as the notable merchant Wang Zhi from Anhui who turned into an important head pirate. Wang Zhi said when he was young: "China's laws are strict, but once you're overseas, you can roam freely!"¹ He initially had no intention of rebelling but, after "requesting trade with foreign merchants and being refused by the authorities," he "raided Fuqing and other counties." Even after being branded a "pirate", he continued to petition for trade. He expressed that "if China would forgive my past crimes and allow tribute and trade, I would gladly kill pirates and serve the empire." When Zhejiang Governor Hu Zongxian agreed to "temporarily ease maritime restrictions and allow trade with the eastern foreigners," "Wang Zhi and others were overjoyed" and immediately "sent word to various islands," preparing "large ships" to engage in commerce. However, the Ming government broke its promise and instead arrested Wang Zhi, leaving his followers "3,000 men with nowhere to turn... wandering and plundering the Fujian, Zhejiang, Jiangsu, and Anhui regions, causing even greater devastation."²

In his book *A Brief Examination of Pirates in the Ming Dynasty*, Chen Maoheng found that 16 out of 18 major pirate leaders during the Jiajing

1 "Biography of Wang Zhi", *The History of the Ming Dynasty*.

2 *Jiajing Era Record of the Pacification of Pirates in the Southeast*.

period were from southeastern coastal regions. Moreover, the pirates often operated in a way where they “appeared as criminals when advancing, but left no trace of wrongdoing when retreating. Before the arrival of pirates, they were all law-abiding citizens; once the pirates arrived, they all became collaborators.” As for the so-called “Japanese ships”, they were in fact Chinese vessels. Numerous historical records confirm that while a small portion of the pirates were indeed Japanese, the vast majority were actually Chinese maritime traders posing as “false Japanese”.

These maritime merchants disguised themselves as Japanese pirates for several reasons. First, they believed that by posing as Japanese pirates, they could pressure the Ming government into lifting the sea ban and allowing free trade, using armed resistance only as a last resort. Second, they capitalized on the Ming military’s fear of Japanese pirates. Third, by assuming the identity of Japanese pirates, they hoped to avoid government punishment, as their families remained on the mainland. This disguise allowed them to continue their trade while protecting their families from repercussions.

In conclusion, maritime merchants actively defied the Ming dynasty’s restrictive sea ban policies, which ran contrary to the socio-economic development of the time. Their defiance led to widespread pirate activity, which, although eventually suppressed, had a lasting impact on the feudal regime. Some insightful officials recognized the futility of the sea ban, noting that “prohibiting even a single plank from going to sea, yet large ships still come; banning trade goods, yet daughters and treasures are constantly traded.”¹ This prompted them to advocate for lifting the sea ban and promoting maritime trade. In the first year of the Longqing reign (1567), the government allowed trade with the East and West Oceans. Ultimately, smuggling and armed maritime trade inadvertently pushed the feudal government toward opening up, fostering the early stages of capitalism.

1 Xu Fuyuan, “Official Correspondence”, *Collected Works of the Jinghe Hall*, Volume 7.

Section Three Self-Destruction

Traditional merchants found it impossible to dismantle the feudal economic system. This was not only due to government suppression and societal disdain but also because of their inherent weaknesses.

Besides the various illegal activities of unscrupulous merchants that we previously discussed, the lavish and corrupt lifestyles of merchants, their extravagance and the flaunting of wealth upon acquiring riches, all revealed that this class lacked a promising future. While restrictive government policies were certainly obstacles to their development, the merchants' self-destructive behavior played a crucial role in their eventual downfall.

After accumulating wealth, many merchants, who had once built their businesses on principles of frugality, hard work, and moderate asceticism, often lost their drive and began to indulge in extravagant spending. Having endured hardships on their path to success, they were eager to flaunt their newfound status. This mindset is vividly depicted in the character Ximen Qing from the classic novel *Jin Ping Mei* (*The Plum in the Golden Vase*). Ximen Qing's boastful and shameless behavior reflects the mentality of many wealthy merchants of the time.

I've heard that in Western Paradise, even the Buddha's abode is paved with gold, and in the underworld, the ten courts of hell require paper money for bribes. With the wealth I have, I can spend it all on charitable deeds, and it would still not make a dent in my fortune. I could even rape Chang'e, seduce the Weaver Girl, abduct Princess Feiyu, or steal the daughters of the Queen Mother of the West, and still, my wealth would remain immense."¹

Ximen Qing's vile actions made him a target of public scorn. Although fictional, he embodied the mindset of many real merchants.

1 *Jin Ping Mei*, Chapter 57.

Many wealthy merchants, after acquiring immense fortunes, gave in to indulgence and sexual excess. These relationships, driven by money, not only corrupted social morals but also degraded human dignity, contributing to the moral decay of society.

The downfall of the once-renowned merchant Hu Xueyan is closely linked to his debauched lifestyle. In his book *The Selected Works of Serious and Humor*, Wang Kangnian remarked, “Hu, a wealthy man in Hangzhou, was unrivaled in recent decades. Yet his excessive indulgence in vice led to his downfall.”¹ Historical accounts further illustrate Hu’s extravagant lifestyle:

Hu had many concubines, and in his residence, he built several long corridors where each concubine occupied a room, similar to the imperial palace’s secluded quarters. He barely remembered their names, so each evening, a servant girl would present a silver tray filled with name tags. Hu would casually pick one, and the servant would summon the concubine whose name was engraved on the chosen tag to spend the night with him. This became a nightly routine.

Hu was deeply indulgent in lust. He would often roam the streets in disguise, and upon seeing a beautiful woman, he would send his men to inquire about her residence and family. He would then offer a price beyond negotiation and promise her family, whether father, husband, or brother, a luxurious residence. Thus, any woman lacking moral integrity and any man easily swayed by wealth would submit to his demands. As a result, many of his shop assistants, emboldened by their connections with Hu’s concubines, became corrupt and deceitful, leading to eventual ruin.

Hu’s excessive indulgence in pleasure took a toll on his vitality. When someone offered him a special remedy from the capital known as “dog skin plaster,” Hu was overjoyed. Unlike other aphrodisiacs, which were taken as decoctions or pills and often had long-term harm, the dog skin plaster was simply applied to a specific acupuncture point

¹ Collected Essays of Yishi, in *Modern Anecdotes Collection*, Volume 2.

and discarded after use, avoiding internal damage. However, most of the plasters sold in the capital were counterfeit, so Hu would annually commission a trusted relative to take a large sum of money to the capital to have the authentic product made, sparing no expense.¹

Hu Xueyan held a prestigious position as a legitimate “red-top merchant,” revered by officials as a god of wealth. Although he had not been affected by the anti-merchant policies due to his high status, his decadence made his downfall inevitable.

If a merchant of such stature could fall so low, it’s no wonder others would be even worse. Huizhou merchants often married young, leaving their wives to keep their chastity at home while they traveled for business. Hence the region had a reputation for virtuous widows. Yet, while their wives stayed loyal, these merchants indulged in debauchery, taking concubines and frequenting brothels. They sacrificed their youth and health to amass wealth, only to squander it on women. Xie Zhaozhi’s *Five Miscellanies Essays* recounts the story of a profligate merchant who eventually went bankrupt, illustrating the consequences of such behavior.

The people of Xin’an lived frugally, content with simple meals of thin porridge and salted beans. However, when it came to taking concubines, frequenting prostitutes, or engaging in legal disputes, they spent money recklessly. For example, my friend Wang Zongji, who was immensely wealthy, spent tens of thousands of gold coins to win a few feet of land in a dispute and lavished extravagant gifts on a concubine, treating her as a wife. He rode in a lavishly decorated carriage, showing no deference to high-ranking officials. When a magistrate arrested him, Wang quickly paid a large sum to have the charge dropped. However, this behavior ultimately led to his downfall, leaving him impoverished within less than a decade.

Spending vast sums on concubines and prostitutes left no capital for expanding business ventures. Such merchants, lacking ambition, often

1 “On Hu Xueyan”, *Collected Essays of Yishi*.

destroyed their prospects with reckless behavior.

Flaunting wealth often invites jealousy and danger. Many merchants, having risen from humble beginnings, believed that money could buy them honor and status. A prime example is the Tang dynasty merchant Zou Fengchi, who dared to compete with the emperor in terms of wealth, only to lose everything. Similarly in the Ming dynasty, after Shen Wansan successfully negotiated to fund half the construction of the city walls, he offered to contribute one million taels of silver to reward the soldiers. Emperor Hongwu responded, “A commoner rewarding the emperor’s army? That’s the act of a rebel and deserves execution!”¹ Fortunately, the empress intervened, and he was spared from death. These cases show that when merchants used their wealth to seek power, they lost their drive and ambition, ultimately leading to their downfall.

Section Four The Long Road Ahead

Creating a supportive social environment for merchants in traditional society was no easy task, and improving the professionalism and self-awareness of traditional merchants was a gradual process. For Chinese merchants to truly break away from their traditional roots, they faced a long and difficult journey, with progress coming slowly.

As China entered the modern era, traditional merchants began to adapt, but their transformation was slow. They continued to engage in familiar trades such as commerce, banking, and pawnshops, clinging to practices rooted in the agrarian past. Many continued to run sole proprietorships with the “front shop, back factory” model and maintained practices of apprenticeship, guilds as well as partnership systems based on feudal family ties and local networks. They continued the Ming and Qing tradition of “scholarly merchants”, focusing on both industry and commerce while seeking profits from

¹ “Biography of Empress Gao”, *The History of the Ming Dynasty*.

feudal land rents. They also favored family-run businesses and valued local connections in their operations.

However, modern merchants differed from traditional ones in several ways. Although they owned land, they no longer adhered strictly to the adage of “making a fortune from commerce and preserving it through land.” Instead of channeling commercial profits into feudal rents, they used land income to support their commercial ventures. They invested in a wide range of industries, including agriculture, transportation, public utilities, and new banking sectors, while promoting industrial and commercial schools, exhibitions, and trade associations. Modern merchants began to engage with factories and new economic operations, establishing several joint ventures. Even traditional banking sectors like money shops proactively strengthened financial ties with modern industrial and mining enterprises, penetrating the production sector. New industries related to import and export increasingly adopted modern business practices, such as agency sales, exclusive sales, auctions, and combined wholesale and retail operations. Advertising and promotion also gained significant attention.

Though still rooted in traditional values and lifestyles, modern merchants began to change due to Western influences. The expanded commodity market economy broadened their social interactions and life experiences. To adapt to new social conditions and times, they had to update their thinking and embrace new knowledge. They no longer sent their children to private tutors or hired teachers at home, but instead enrolled them in modern schools or even sent them abroad, expecting their children to “focus on various general subjects” and to “not only excel in literature, arithmetic, history, and geography, but also gain a broad understanding of global affairs.”¹

In 1905, an article in *Shanghai Business News* observed, “In ancient times, strength was in pastoralism; in the Middle Ages, agriculture; today, it lies in commerce.”² American scholar Chen Jinjiang noted, “Foreign trade introduced

1 “Commercial Academy Volume”, *Compilation of Archives from the Suzhou Chamber of Commerce*.

2 *The Orient Magazine*, Issue 3.

merchants to new types of enterprises, modern socio-economic values, and new business environments at treaty ports. These Western ideas and customs instilled a sense of self-respect in Chinese merchants regarding their social standing at the treaty ports.”¹ As one scholar pointed out, “The process by which the gentry-merchant class gradually moved away from traditional paths and absorbed more modern elements is also the process through which the Chinese national bourgeoisie emerged from nothing and gradually took shape. The gentry-merchants, straddling both tradition and modernity, served as the historical medium and vehicle for the formation of the modern national bourgeoisie.”

Modern merchants bore the marks of traditional society while also carrying the mission of a new era. “If the gentry-merchants were the early form of China’s national capitalists, still holding traditional values like integrity and local ties, the new generation of capitalists fully embodied the pursuit of profit and capital accumulation.”²

These “new-generation of national capitalists” were modern industrial and commercial entrepreneurs emerging after the Xinhai Revolution and distinct from traditional merchants. Although still maintaining government ties for their support, they no longer needed official titles for protection or prestige. “The era when millionaires buying titles for influence had truly ended.”³ Despite the challenges of the time, social progress was unstoppable, and feudal forces were in decline. “The emerging bourgeoisie began to take pride in their wealth, management skills, and economic achievements, stepping onto the world stage with newfound confidence.”⁴

It seemed that the golden age of Chinese merchants was approaching.

1 Chen, Jinjiang. *Modern Enterprises and the Relationship Between Officials and Merchants in the Late Qing Dynasty*. Translated by Wang Di and Zhang Jian, p.44. China Social Sciences Press, 1997.

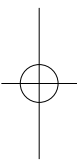
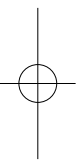
2 Xu Dingxin and Qian Xiaoming, *History of the Shanghai General Chamber of Commerce (1902-1929)*. Shanghai Academy of Social Sciences Press, 1991, p.247.

3 Begi, Gilles. *The Golden Age of the Chinese Bourgeoisie (1911-1937)*. Shanghai People’s Publishing House, 1994, p.157.

4 Begi, Gilles. *The Golden Age of the Chinese Bourgeoisie (1911-1937)*. Shanghai People’s Publishing House, 1994, p.157.

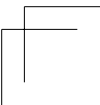
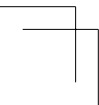
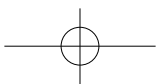


Afterword to the 2007 Edition



Nearly a decade ago, *A History of Merchants* was published as part of the Chinese Folklore Series by Shanghai Literature and Art Publishing House, marking a notable milestone. This book was my first academic work. Interestingly, although my master thesis was on classical aesthetics and my doctoral dissertation was on mythology, this became my first published work. At the time, the Shanghai Literature and Art Publishing House's folklore editorial office was known for publishing a wide range of works on folk culture. Their Chinese Folklore Series was quite influential, but they were struggling to find an author for the topic of merchant culture. In a remarkable show of trust, they chose me for the task without requesting a sample manuscript or outline—an encouraging gesture for someone as inexperienced as I was at the time.

Several books in this series, such as *A History of Pawnbroking*, had already been published and had multiple reprints, which put considerable pressure on me. Certain conditions made writing this book possible. Firstly, my doctorate was in history, and my advisor, Professor Wu Ze, had a background in economics. Both of us taught economics courses and often engaged in discussions about land systems and the relationship between agriculture and commerce. Additionally, during my postgraduate years, I wrote many popular articles on Chinese economic history under a pen name, which gave me further insight into the subject. Folklore history has also been my primary research focus and academic passion. To enhance the book, I invited my fellow



student, Tian Liang, to co-author it with me.

After the book was published, some were puzzled as to why I had written on economic history. In truth, it was a combination of both chance and necessity. The book garnered significant attention and was frequently cited by colleagues in academia. Even years later, readers continued to seek out copies, showing that our efforts had not been in vain.

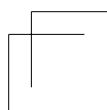
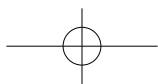
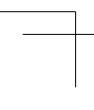
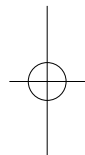
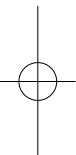
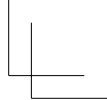
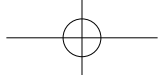
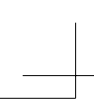
Now, the Shanghai Literature and Art Publishing House is reissuing the book with additional illustrations, enhancing its practicality and academic value. My doctoral student, Bi Xuling, played a major role in the revisions for this new edition and is now listed as a co-author. This is especially meaningful, as it reflects the growing involvement of the younger generation in folklore and folk culture studies, furthering and strengthening our work.

Mr. Xia Qinggen from Shanghai Literature and Art Publishing House played a key role in the original edition of this book. For this version, Mr. Xu Hualong provided valuable suggestions. Mr. Xu, known for his contributions to folklore publications, has significantly advanced the study of folk culture, and we extend our gratitude to him on behalf of the authors and our colleagues in the field.

The fate of merchants is deeply woven into the fabric of Chinese society, carrying both social and academic importance. The rich history of merchants plays a vital role in China's folklore. This book explores key issues in the historical development of merchants, aiming to provoke thought and inspire further research. Although space limitations prevent us from covering every aspect in detail, the book was never intended to be comprehensive. We recognize that our insights and perspectives may have gaps, and we gladly invite further insights and feedback from readers and experts alike.

TIAN ZHAOYUAN

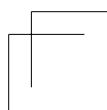
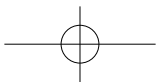
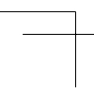
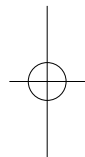
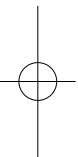
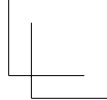
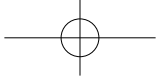
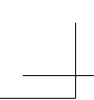
August 2006, Shanghai



A Journey into the Divine World

TIAN ZHAOYUAN

Translated by TANG AIJUN



盤古氏



Pangu, the deity in Chinese mythology who created the world by separating heaven and earth.



The ancestor deities of the Chinese people: Fuxi and Nüwa, with human heads and snake-like bodies, holding the sun and the moon in their hands. (Han dynasty stone carving)



The four most important totem deities in ancient China: the Azure Dragon, the White Tiger, the Vermilion Bird, and the Black Tortoise.

趙元帥

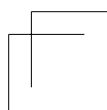
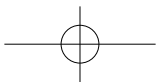
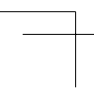
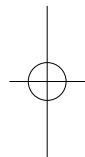
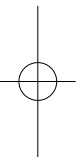
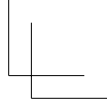
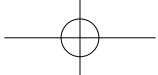
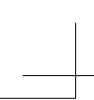
姓趙諱公明鍾南山人也自秦時避世山中精脩至道功成欽奉玉帝旨召為神霄副帥按元帥乃皓廷霄度天慧覺昏梵炁化生其位在乾金水合炁之象也其服色頭戴鐵冠手執鐵鞭者金蓮水炁也面色黑而鬚鬚者比炁也跨虎者金象也故此水中金之義軀則為道用則為法也則非雷震无以彰其威泰華西臺其府乃元帥之主掌而帥以金輪稱亦西方金象也元帥上奉天門之令策役三界巡察五方提點九州為直殿大將軍為北極侍御史昔漢祖天師脩煉仙丹龍神奏帝請威猛神吏為之守護由是元帥上奉 玉旨授正一玄壇元帥正則萬和不干一則純一不二之職至重 天師飛昇之後永鎮龍虎名山歐今三元開壇傳度其趨善建功謝過之人及頑冥不化者皆元帥掌之故有龍虎玄壇實賞罰之一司部下有八王猛將者以應八卦也有六毒大神者以應天煞地煞年煞月煞日煞時煞也五方雷神五方雷神五方雷兵以應五行二十八將



Zhao Gongming, the God of Wealth in China, is also considered a deity of plagues.



The Chinese door gods Shen Tu and Yu Lei



Introduction: The Truth

Myths Are Not Real

Are myths real? This question, which shouldn't be asked in the first place, is actually very difficult to answer. As they always did in the past, religious people will tell you that myths are real, especially the myths of their own religion. However, when it comes to myths of other religions, they usually dismiss them as false and delusional. So, it seems there are two kinds of myths: the “real” ones and the “fake” ones.

A historian once said:

Myth and history are closely related, as both recount past events. However, while myths are often seen as false, history is regarded as an effort to uncover the truth. Historians, in rejecting others' conclusions, may dismiss them as myths while claiming their own as truth. Yet, what one historian sees as true may be seen as false by another, turning one historian's truth into another's myth, even as it's spoken.¹

So, there's no fixed way to judge the authenticity of myths; each person can decide for themselves. Does that mean there's no concrete truth in the world?

¹ McNeill. W.H, “Mythistory, or Truth, Myth, History, and Historians”, *Mythistory and Other Essays*. Shanghai: Shanghai People's Publishing House, 1990.

As a result, more and more people, in their pursuit of ‘truth’, have turned to scientific and empirical methods to prove that myths are historical records.

In the 19th century, a German merchant, Heinrich Schliemann, tried to find the city of Troy depicted in Homer’s *Odyssey* and to dig out the buried treasures of its gold and silver. Following descriptions in the *Iliad* and the *Odyssey*, he dug up the remains of an ancient city and a large amount of gold and silver treasures. It was said that many well-known scenarios in the *Odyssey*, such as the triumphant moments of the resourceful heroes, the drinking binge of Penelope’s suitors, and the tragic slaughter in the court, etc., were recreated by Schliemann’s shovel. What’s more, Schliemann claimed to have found the tomb of Agamemnon, who, with his comrades, had been murdered by his wife’s lover. The faces of the remains were vaguely recognizable, eye sockets empty, noses missing, mouths twisted in what looked like a laugh, perhaps recalling the last funny moment in life. This ‘scientific’ corroboration of the Homeric epic was, I am afraid, one of the new myths of the 19th century, but it fueled the hopes of many people who attempted to find “real” history in myths.

The scientific exploration of some strange phenomena has also made people re-examine the myths, thinking that some descriptions in ancient myths are not necessarily false. For example, in the study of flying saucers, *qigong* (an ancient Chinese way of practicing breath with coordinated body posture and movement) and aliens, some people suddenly were enlightened: the concept of immortality and gods might not be without some ground: myths recorded the unfamiliar things such as aliens and natural phenomena. They then began to believe that myths were just examples of bioscience, and there was nothing mysterious. What’s more, some masters of *The Yi Ching* (*The Book of Changes*) exaggerated the art of ‘knowing the past’, turning superstition into science, which made the issue of finding truth in myths more difficult.

Myths always sound absurd, which makes them hard to believe. Therefore, theories were formulated claiming that myths reflect the essence

of history, rather than historical facts. While myths do contain traces of history, they are far from the actual events. If history were clear enough, myths wouldn't exist. Most myths tied to history don't align with real events. Instead, we can say that the process of creating myths is true, even if the myths themselves are false. By studying how myths are created, we are examining a part of history—making the study of myths a form of historical inquiry.

Myths are NOT real. They serve as comfort, deception, or compromise, but none represent truth. People, unable to face life's hardships, turned to external forces for strength, and myths became their go-to. By definition, a "myth" cannot be true—except in the sense of why it was created.

Why do some people believe myths are real? It's because they assume so, just as they assume others' myths are false—purely subjective judgments. In many cases, myths are intentionally created, and deliberately falsified to gain external support. People believe in myths because we are drawn to ideas that align with our desires, especially when facing harsh realities. Our wishes give rise to myths, making them popular.

However, no matter how they are analyzed or justified, myths are not real.

When Myths Turned Real

So how were myths turned into reality?

As an old saying goes, a lie told a thousand times becomes the truth. In a time when people had limited access to outside information and limited resources to verify what they heard, misinformation could be spread in an amazing way. Take Zeng Sen's case as an example. Zeng was a filial son and a rule-abiding person, and his mother never had any doubt in his integrity. One day, when someone told her that Zeng Sen had killed a person, the mother readily dismissed the news. Soon after, someone else told her the same thing, which made her a bit suspicious. When a third person said Zeng Sen was a

murderer, the mother accepted it without a doubt. This fable shows if false information is not clarified immediately, it tends to be readily accepted by people. During human history, similar things happened. In fact, our society has been dominated by misinformation for the most of its history, though it may sound absurd. At the beginning of the Eastern Jin dynasty (317-420), some people wrote a pseudo *Guwen Shangshu*, or *Ancient Classic of History*. For more than a thousand years since then, people had been reading it as a classic, until scholars in the Qing dynasty (1644–1911) pointed out that this *Guwen Shangshu* was a forgery by later generations.

People in ancient societies often mistook fiction for reality, and even today, modern individuals are not immune to the same tendency. In the 1950s, some Chinese historians, drawing from Stalin's *Marxism and the Problems of Linguistics*, concluded that clans and tribes would evolve into nationalities as feudal divisions disappeared and a national market emerged with capitalism. Since, according to this view, nationalities only formed after the rise of capitalism, they argued that the Han nationality didn't exist until after the Opium War in 1840. However, historian Fan Wenlan, writing in the early 20th century, claimed that the Han nationality originated during the Qin and Han dynasties over 2,000 years ago. Fan's perspective was met with immediate criticism, as it ran counter to the prevailing academic trends.

Later, it was discovered that Stalin's words had been mistranslated. The original Russian text used two terms—*natsional'nost* (nationality) and *narodnost* (ethnicity)—to describe different concepts. After reviewing dictionaries and the original Russian, scholars realized the error. The translators had misrepresented Stalin's theory on ethnology by mistake, but readers accepted the translation mistakes as fact, much like ancient people once did.

In our history, there were cases when fiction turned into reality, but also cases when reality was turned into fiction. In *One Hundred Years of Solitude*, a survivor from a horrible slaughter returned home, only to find he had never existed in this world, because the villagers were brainwashed by local

authorities. When he told them about the slaughter, nobody trusted him. The plot of telling lies to cover up the cruel truth is not imagined by the novelist, but a portrayal of the real world. Maybe sometimes the truth would be revealed someday, but in more cases, the truth will be buried forever. Even if the truth were uncovered after several years, it would be meaningless for those who had been deeply wronged. In most cases, the truth often goes unnoticed, as time tends to obscure many things. It's no surprise that counterfeits thrive—they're frequently accepted as genuine and rarely uncovered.

Time is a magician. Some say it's the ultimate test, believing that given enough time, the truth will inevitably come to light. But in reality, it doesn't. Time is a destroyer, erasing both the truth and falsehood alike. While lies may not always be mistaken for truths, a truth lost to time can eventually be seen as a falsehood. Time is also like a veil, obscuring what is already difficult to grasp. As details fade, can the faint remnants ever truly restore what was once real? Time helps people forget, covering up shameful pasts. In its soft glow, everything appears gentler, more beautiful. This is why myths not only arise but endure. Time adds layers of ambiguity and mystery to everything. Yet, at the same time, nostalgia—an emotion deeply human—drives us to revisit the past, giving myths wings to soar.

There are both objective reasons (such as time) and subjective reasons (such as human intention) for turning myths into reality. The creation of myths is sometimes, as Max Müller puts it, a “disease of the language”, in which myths are created and spread because of linguistic mistakes. However, this is by no means the most important origin of myths, otherwise myths would disappear when language mistakes are corrected. More often than not, myths are intentionally created to meet social and political needs. Mythmakers turn fiction into reality to win others' trust in the interest of an individual, a group or a class.

Distance also plays a role in fostering belief in myths. In ancient times, isolated communities had little connection to the outside world. Individuals, in the vast expanse of the unknown, were like a single hair on a horse or a

grain of rice in a giant granary—much like a frog in a well. With no way to explore distant lands, their curiosity about the unknown was fed by stories passed down through generations, often blurring the line between reality and myth. As a result, Qu Yuan, in his *Summons of Soul* in the poetry *The Songs of Chu (Chu Ci)*, depicted such a bizarre and fantastical world 2300 years ago. Similarly, the immortal islands such as Peng Lai and Fang Zhang could only be found in the middle of the ocean, where nobody could gain access. Ignorance about and curiosity in the infinite universe is a key incentive for the creation of myths. It is easy for people to believe in myths as mythical adventures always took place in places remote and inaccessible.

Myth creators take advantage of the distance and unreachability of those places to craft their stories. Myths often begin with lines like “the hero traveled for forty-nine days and crossed 9,999 mountains,” making it impossible to verify and impossible to doubt. Religious myths take this even further. Take Mount Sumeru for example—it’s said to be unbelievably tall and huge, way beyond what ordinary people can understand. This Buddhist pure land is described as so far away that only those who have reached a certain spiritual level can get there. This idea of being beyond reach makes myths easier to believe.

Repetition is another way for myths to gain credibility. Social media amplifies the spread of myths far beyond traditional means. When media is controlled by certain groups or corporations, myths become embedded in everyday life. Moreover, people often choose to believe a comforting lie over a harsh truth, making it easier for fiction to be accepted as reality. This allows myth makers and spreaders to effortlessly convince others to believe their narratives.

Seeing the Bigger Picture

Myths aren’t just created for entertainment; they’re meant to be believed.

A myth has power only when people accept it as true. Once it's debunked, it loses its impact, like wet gunpowder or a popped balloon—completely ineffective.

Whether ancient or modern, every myth needs to seem sacred and unquestionable. When Copernicus proposed that the sun, not the Earth, was the center of the universe, he faced harsh persecution because his idea challenged the Christian cosmic myths. Myths aren't created by chance; their creators often know exactly what they're doing. To make people believe a falsehood, there must be a certain level of ignorance and blind faith among the followers. This is why “keeping people in the dark” is so crucial.

In the early days of human society, people believed that everything had a spirit. In their innocence and ignorance, they struggled to explain the natural world. They genuinely believed the sun was a god wielding arrows, and that by drawing pictures of their prey and striking the images with stones, they could ensure a successful hunt. It was like the childhood of humanity, a time when belief in the mystical first took root.

Even though most people today no longer believe that everything has a spirit, this old belief tends to resurface whenever we are faced with something beyond our comprehension, or when our life is beyond our control. Vico, in *New Science*, describes three stages of societal governance. The first stage is the divine, or theocratic, society, where laws are based on myths and humans administer earthly matters as representatives of the gods. This form of governance is relatively straightforward. The second stage is the heroic society, governed by heroes and their deeds. The third stage is human society, characterized by humane and rational principles. However, even the latter two stages still retain traces of the theocratic influence.

Rulers often needed to emphasize their exceptional qualities to distinguish themselves, even though many of them were pretty ordinary when it came to physical strength or intelligence. To make themselves seem special, they claimed a connection to the divine. This connection to the gods was what set them apart. Many rulers became dominant figures in society by

claiming divine support. Throughout China's long history, divine rule was a constant topic. The idea of "the divine right of kings" was a motif in political myth. Regardless of a ruler's actual abilities, being seen as a representative of the gods gave them unquestionable authority. This divine backing made them the rightful rulers. Whether it was Li Shimin, the second emperor of the Tang Dynasty, or Liu Shan, the last emperor of the Shu Han state, their royal power came from the belief in their divine right to rule.

This raises a thorny issue: if the "divine right of kings" is legitimate, then shouldn't a single royal family rule the world forever? If a king can be overthrown, doesn't that suggest his divine right wasn't truly granted by the gods? And if that's the case, how could any new ruler claim divine blessing? How do we reconcile this paradox?

As early as the Shang (1600 to 1046 B.C.) and Zhou (1046–256 B.C.) dynasties, the royal families came up with a clever solution. The divine right of kings is indeed valid, but it's bestowed upon those with virtue. When King Jie of the Xia dynasty lost his virtue, Heaven's wrath and the people's anger supposedly caused Heaven's mandate transferred to Tang, who was destined to end the Xia dynasty. Thus, rebellion was framed as "acting on behalf of Heaven." Once Tang seized power, the question of virtue conveniently disappeared. Later, when King Zhou (?-1046 BCE) of the Shang dynasty became infamous for his lack of virtue, the same rationale was used to overthrow him. King Wu (1152-1056 BCE) of Zhou delivered a famous and righteous speech condemning the tyrannical actions of King Zhou of Shang:

Now, the King Zhou of Shang has scorned the five constant virtues, neglected his duties, and lost the mandate of Heaven. He has alienated the people and incurred Heaven's wrath. The Supreme Deity does not support him and has decreed his downfall. You all must diligently assist me in carrying out Heaven's punishment with reverence.

Declarations of Qin recorded in *The Book of Documents* are lengthy, but the essence is clear: originally, Heaven had granted the throne to the Shang dynasty. However, when King Zhou of Shang lost his virtue and cut himself

off from Heaven, Heaven changed its mind and granted the throne to the more virtuous Zhou. Thus, Zhou's rebellion against Shang was justified as the people of Zhou executed the will of Heaven. Therefore, the Zhou's soldiers were not fighting for King Wu personally, but carrying out the will of Heaven, giving their campaign legitimacy. King Wu and the Duke of Zhou (a great statesman) later developed theories of governance based on virtue and caring for the people. However, they still staunchly defended the concept of the "divine right of kings". They made an effort to demonstrate that the Zhou were virtuous and that their divine mandate was real.

After asserting that the Mandate of Heaven had indeed been granted to the kings of the Zhou dynasty, it was crucial to demonstrate that the Zhou were virtuous. Many chapters in *The Book of Songs* address this point. Compared to the Shang, the Zhou culture was less advanced. While the Shang created a brilliant bronze civilization, the Zhou were still wandering the northwest lands, and had some agricultural development much later. Their craftsmanship couldn't compare to that of the Shang. King Wen (?-1043BCE) didn't make remarkable economic achievements during his reign, yet *Greater Odes of the Kingdom - Decade of Wen Wang* in *The Book of Songs (The Shijing)* states:

King Wen is on high, shining brightly in the heavens. Although Zhou is an ancient state, it carries a new mandate to establish a new dynasty. Zhou is now glorious, fully in line with Heaven's decree. King Wen ascends and descends in the heavenly court, standing exalted by the side of the Supreme Deity.

This implies that even during the Shang rule, the Supreme Deity had already favored King Wen, who constantly worked in service of the Deity, and granted him the Mandate of Heaven. Zhu Xi, a historian living in the 12th century, wrote in *King Wen* in his *Commentary on the Book of Songs*: "He who understands the way of Heaven and the virtues of King Wen can speak of those who share the same virtue with Heaven." The Zhou thus convinced people that they followed the way of Heaven and were divinely granted the

right to rule.

The Zhou people wanted everyone to believe in the “divine right of kings,” yet they also doubted that Heaven would guarantee their rule forever. Thus, Zhou Gong (Duke of Zhou) frequently reminded the king and his ministers to exercise self-restraint, warning that Heaven could revoke the mandate and grant it to others if they failed to do so. The Zhou dynasty had two versions of the Mandate of Heaven myth. One version, found in *The Book of Documents (Shangshu)*, reveals that the Zhou themselves were somewhat skeptical and maintained a respectful distance from the idea. The other version, aimed at the remnants of the Shang people, is celebrated in the hymns of *The Book of Songs*, particularly in the “Odes” and “Hymns”, which praise the Zhou’s divine mandate.

This difference shows that the Zhou, being rational, were consciously fabricating these myths. Even though they didn’t fully believe in the Mandate of Heaven themselves, they insisted that others take their fabrications seriously.

We must recognize that myths identified as such are those that have been exposed and have faded from the stage of history—they are dead myths. The most powerful myths still circulating in society are the ones people believe to be absolutely true, even though they are just myths. Different groups accuse each other’s myths of being false while claiming their own beliefs as the truth. The creation and destruction of myths occur in this ongoing battle of discrediting the old and fabricating the new.

A political opportunist once bluntly stated, “You can’t achieve great things without telling lies”, highlighting the essential strategy of political rule. We need to be aware that we might be under the influence of a myth because we have believed in it so deeply that we no longer see it as a myth. The essence of mythmaking is to make people believe it is true. Like in the midst of the mountains, we are unable to see the entire landscape.

Turning Truth into Myths

Labeling falsehoods as truths is the core of myth-making, but turning truths into falsehoods is equally part of the process. This entails obscuring facts that could dismantle the myth, whether through concealment, embellishment, or discrediting. Ultimately, this remains an act of falsification or myth creation.

Many people avoid facing reality and history head-on and feel the need to embellish. This occurs in several scenarios:

1. Turning victors into superhumans. When victors need to be presented as extraordinary, the ordinary aspects of their past seem insufficient. Besides, if there are significant flaws in their past, these need to be covered up to maintain their glorious image.

2. Hiding the dark side of ordinary people. When ordinary people fall short of expected standards, there is a need to erase any shameful history or, due to vanity, hide some truthful but unflattering facts.

3. Diminishing others' brilliance. If one's glory is overshadowed by that of others, efforts are made to obscure other people's achievements or alter their success.

Thus, it's clear that concealing the truth is another fundamental principle of creating myths.

The myth of Liu Bang (256–195 BCE), the founding emperor of the Han dynasty, is a prime example of fabrication. Sima Qian, known for his dedication to historical accuracy, included both factual events and mythological elements in his *Records of the Grand Historian (Shiji)*, making it a valuable reference for examining imperial myths. According to Sima Qian, Liu Bang himself “liked wine and women,” and his conduct was not exemplary. He “did not engage in family production work,” often scamming for drinks, displaying traits of a petty rogue. His birth, shrouded in mystery, has many

unclear details.

Liu Bang's mother, known as Liu Ao, allegedly had a dream of meeting a deity while resting by a large marsh. Suddenly, a storm broke out with thunder and lightning. Liu Bang's father, Taigong, went to check on her and discovered a dragon on Liu Ao, leading to her conceiving Liu Bang. One thing is definite here: Taigong is not Liu Bang's biological father.

Thus, there are at least two possibilities about Liu Bang's birth: First, his father is Taigong. But as Taigong's identity as an ordinary man wouldn't command the respect due to the father of an emperor, the dragon was introduced to establish Liu Bang as the son of a divine creature, a true "Son of Heaven." Second, he was an illegitimate son of Liu Ao and another man. If Taigong was not Liu Bang's father, it certainly wasn't a dragon either. But this was even worse. Thus, a myth was created to cover up this inconvenient truth.

The origin of the myth likely started with Taigong, who claimed to have seen a dragon on his wife's body. When this story began circulating, Taigong was still alive because tales of Liu Bang, such as slaying the white serpent, were already widespread before he became emperor. It's unlikely that Taigong himself fabricated this story, given his reputation as an honest and straightforward man. After Liu Bang took power, he attempted to bring his father to the city, but Taigong found city life uncomfortable. To please him, Liu Bang built a village near the capital that resembled their old home. Even after Liu Bang became emperor, Taigong remained deeply respectful of traditional customs and found it hard to believe that he had fathered the "Son of Heaven."

One stormy night, Taigong, perhaps confused by the flashes of lightning, believed he saw a creature on his wife. In the darkness, it appeared to be a dragon. When he approached, nothing was there. The night was pitch black, and if the creature existed, it may have slipped into the water, further fueling the dragon myth. Poor Taigong, unwittingly misled by Liu Ao's deception, unknowingly bore the shame of a cuckold, yet took pride in his son's supposed divine origins.

This mysterious tale became a cultural asset of Liu Bang, whose team of storytellers used it to prove he was a true “Son of Heaven.” By fabricating this story, Liu Bang concealed his ordinary or illegitimate origins. In terms of wisdom and martial prowess, Liu Bang might not have surpassed his rival Xiang Yu in many areas. However, Xiang Yu failed to craft such powerful narratives about himself. While Liu Bang was portrayed as the son of a dragon, Xiang Yu’s obscure parentage marked him as unfit for the throne. In mythmaking, Liu Bang outdid Xiang Yu, which ultimately helped him secure his empire.

Compared to the grand myths created by victors, the myths of ordinary people often seem both laughable and pitiable. Unable to achieve great things and unwilling to admit their cowardice and incompetence, they create lies to disguise themselves. In fact, myths about ordinary people are the most prevalent. Unlike the limited number of heroic myths, myths about common people are abundant and ubiquitous. Ordinary people rely on these myths to uphold their social status and give meaning to their lives. Without them, they would lose their spiritual foundation and face an existential crisis.

Thus, the myths about ordinary people are not just for show; they are also a way to comfort themselves. Consider the myth of Nüwa, who is said to have created humans from yellow clay. This myth, as a creation story, shows the people’s reverence for ancient deities. Later versions of the myth added more details: Nüwa initially made humans by hand, crafting each one to look like a human. However, she eventually grew tired, so she dipped a rope in mud, shook it, and the splatters became humans. This resulted in two types of people: those crafted by hand and those made from the splatters. The handcrafted ones became the wealthy, while the splatters became the poor.

We often say that the ruling class intentionally created myths to serve their own interests, reinforcing social hierarchy. While this is undoubtedly true, there’s more to the story. These creation myths were also believed and embraced by the poor. Why? Because they offered an explanation for their poverty: it wasn’t their fault—they were simply created that way by Nüwa.

Many cultures have similar myths to explain their hardships compared to other groups, often attributing inequality to divine favoritism. These stories provide a rationale for poverty, essentially saying, “What can we do? It’s destiny.” Such fatalistic beliefs justify social hierarchies, making people accept their divinely ordained positions. This allows the oppressors to wield power without guilt, believing it to be their divine right, while the oppressed accept their fate, thinking it’s beyond their control.

These myths also give many the courage to face a life of humiliation. Yet, figures like Chen Sheng, leader of a peasant rebellion during the Qin dynasty, questioned this divine right, famously asking, “Are kings and nobles born to their status?” His challenge to the inherent nobility of the ruling class displayed rare heroism. However, he too benefited from the superstitions of the peasants, convincing them that his rise was predestined. Many joined his cause not only to resist oppression but because they believed it was their fate to serve him as their leader.

In this context, small potatoes collaborate with the big shots to weave a labyrinth of myths about their destinies, creating a facade for themselves to mask their own fates. When someone else’s success makes them feel inferior, they resort to sayings like “It takes a kiss-up to make things look flawless.” to console themselves. Devaluation of others becomes a natural choice, as Han Yu, a famous poet, noted: “The more virtuous one is, the more they are slandered.” By belittling others, they elevate their own status. This mentality is prominently reflected in myths. In ancient Egypt, for example, there were interesting debates between men and women about the right to bear children in their rivalry for social dominance. Each gender claimed that procreation was solely their accomplishment, excluding the other. Men, wanting to dominate society, argued that women were merely containers for children, just like a piece of land. They couldn’t produce anything without a man’s seed. Women countered by asserting they could give birth without men’s help. Neith, the Egyptian mother goddess, had a provocative inscription in Sais: “I am all that has been, is, and will be; no man has ever lifted my veil; the fruit

I bore was the sun.” Egyptian mythology even claimed that the sacred vulture could conceive by the wind alone, implying that men were unnecessary for procreation. This debate highlights the perpetual conflict between genders, using myths to diminish each other’s roles, and showing how myths can turn truth into falsehood.

Not just petty individuals denigrate others; even great figures often can’t tolerate others outshining them. After Qin Shi Huang (259–210 BCE), the first Emperor of China, unified China, he tried to emphasize his unparalleled achievements and his title as the “First Emperor.” He slandered the legendary ancient sages, the Five Emperors and the Three Kings to dim their glory and highlight his own extraordinariness. His ministers flattered him, saying: “The ancient emperors ruled over small territories, and their vassals each kept to their territories, sometimes paying tribute, sometimes not, constantly invading and warring, with endless destruction. They inscribed their deeds on gold and stone to make a record. The Five Emperors and Three Kings had inconsistent teachings and unclear laws, using the awe of gods to deceive distant lands. They did not live up to their names, hence they did not last long.” Though there might be some truth to this, the time of Five Emperors and Three Kings couldn’t be worse than the Qin dynasty, and their reigns were not as short-lived as Qin Shi Huang’s. However, Qin Shi Huang had to discredit the Five Emperors and Three Kings to highlight his own achievements as “surpassing the Five Emperors and benefiting even the cattle and horses.” We can’t say for sure whether these ancient sages were as virtuous and beloved as Confucian classics and other ancient texts claim. But it’s a fact that Qin Shi Huang didn’t achieve “peace for the common people without the use of arms,” nor did he manage to have the people “joyfully accept his rule.”

Covering up ugly truths is all about letting lies walk freely among people, making them believe these lies as truth. Such lies are known as “myths”.

Blood-stained Deceptions

A great man once said, “Lies written in ink can’t cover up the facts written in blood.” This is true. But did he ever consider what happens if the lies are written in blood and the facts in ink? Or what if both the lies and the facts are written in blood? Which one would people believe more?

When the front lines suffer a defeat, yet the good news is sent back home, that lie could only be written in blood. Generals in the late Qing Dynasty often did this, a scene of celebration at home that was much better than admitting defeat and weeping. For a time, the lie could hide the truth, and everyone was happy.

Lies written in blood deceive others and even the liars themselves, masking their shame. This hollow victory can intoxicate the liars more than a real victory, much like a terrible karaoke singer feeling like a superstar. This way, the foggy myth becomes something the weak eagerly embrace, turning lies written in blood into a popular trend.

Any society has great figures who become role models. Yet, those with weaker spirits, unable to rise to greatness, often resort to disguises. The glory of the victorious and strong is something to aspire to, as they are the ultimate goal. However, the reality is that victors need losers to highlight their triumphs. Defeat is an inevitable part of life, and it shouldn’t be surprising. The cycle of the defeated seeking revenge and becoming victors themselves is a natural human pattern, akin to the changing seasons. The real question is: how should one handle disgrace? The weak and foolish often choose self-deception.

I often reflect on the story of Jesus’ crucifixion. It’s clear that he was crucified, but his greatness made him immortal without the need for a physical resurrection—his immortality is unquestionable. But did he truly rise from the dead? His disciples claimed that angels saved him, leading to his

resurrection. A rational person might smile at this, understanding the deep longing his disciples had for him to return.

Gospel of Matthew condemns the “lie” fabricated by the council: the chief priests and elders offered soldiers a large sum of money to say that Jesus’ disciples stole his body while they slept. The soldiers took the money and spread this story, which persisted. After Jesus’ death, two explanations for his missing body emerged: one of resurrection and one of theft. At least in the time when the *Gospel of Matthew* was written, the story of Jesus being stolen was still circulating. The other Gospels also repeatedly address this theme.

In the *Gospel of John*, there is a passage that describes the brutal crucifixion of Jesus. The soldiers broke the legs of those crucified with him, but when they came to Jesus, they saw he was already dead, so they did not bother to break his legs. But one soldier pierced his side with a spear, and blood and water flowed out. Faced with this grim reality, the disciples comforted themselves by saying that the Lord had risen! One skeptical disciple touched Jesus’ side and found none of his bones were broken. Thus, the disciples crafted a moving story from the blood of the dead Jesus.

“Admirers” of Western culture once argued that the West’s economic prosperity is due to its Christian faith. However, this claim is quite weak, as for over a thousand years following the advent of Christianity, Western society remained largely backward. The Middle Ages, dominated by Christian culture, are often described as “dark,” making it difficult to connect Christianity with societal progress. In fact, most influential figures in the Western world sought to challenge and overturn the foundations of Christian culture as a necessary step for social progress. A culture that relies on self-comfort for victory holds no promise. Western progress was achieved by sweeping away the fog of religion, embracing reason, and restoring human dignity. Their advancement came from rejecting divinity, not from reading the Bible.

For some enthusiasts of Western culture, there was hope that promoting religious faith might help China achieve economic strength similar to that of the West. However, upon deeper reflection, it became clear that the push to

introduce Christianity was not rooted in admiration for a different cultural advantage. Rather, it resonated with similar cultural elements already present in China—a form of self-comfort and a reflection of a common human weakness.

In China, there are similar instances of using illusory victories to ease the pain of failure. As long as there are those who feel powerless, these dreamers who pretend to be strong will continue to thrive. Early Daoism in China was a religion for the resilient. The Taiping Dao, led by the Zhang brothers, didn't just promise peace; they actively fought against tyranny. People rallied to their cause, and their rebellion hastened the fall of the corrupt Eastern Han dynasty. Though the Zhang brothers were killed by the ruling powers, their uprising, like lightning splitting the night sky, left a brilliant mark on history. They were the first to wield religion as a weapon against oppression, setting the stage for future revolutions. For this reason, religious leaders often face persecution.

Yu Ji was a leader of early Daoism popular in the South. His sect didn't engage in armed struggle but practiced healing and rainmaking, gaining the people's reverence. Once, Sun Ce held a gathering of his generals, and Yu Ji happened to pass by. The generals all ran down to pay their respects to the Daoist. Sun Ce couldn't accept this and didn't want his authority undermined by Yu Ji's presence, so he had Yu Ji killed without any explanation. Just like Jesus, Yu Ji couldn't be physically resurrected, but his disciples mythologized his revival and ascension to heaven. More fantastically than the Bible, Yu Ji not only survived death but also avenged himself. After killing Yu Ji, Sun Ce was haunted by his ghost and met a tragic end. The myth reversed the victory and defeat: the sacrificed Yu Ji was resurrected and punished his persecutor, turning Sun Ce from a victor into a loser. This emotional outpouring from Yu Ji's followers is understandable and commonplace, but this kind of victory feels too cheap and easy. Although vengeance is not right, self-deception through inaction is not admirable either. Turning a tragic song into a triumphant one

is a weakening potion for humanity, an early yeast for AQism¹.

Chinese idioms often describe this state, like “打肿脸充胖子” (puffing up one’s face to look imposing), which is a comedic expression for a tragedy, or “打掉了牙往肚里吞” (swallowing broken teeth to save face). Such expressions all fall into the category of lies written in blood.

Thus, we discover a way to explore the essence of myths: by listening closely for the sorrow beneath the triumphant songs and peeling back the glossy surface to expose the harsh reality beneath. Those who have grown used to hiding behind a veil of shame will feel their own desolation when they hear the lament of the divine kingdom. Only by facing the truth of their existence can they find a path to transcend it.

In history, there were also people who used their blood to write vows or depict the true state of affairs, rather than fabricating lies. The most heroic were the Chu people. When Qin defeated Chu, the Chu people declared, “Even if only three families remain in Chu, Qin will still be overthrown by Chu.” They weren’t boasting or using many victorious stories to delude themselves. Eventually, Chen Sheng, Wu Guang, Liu Bang, and Xiang Yu, called “great Chu” men, rose to overthrow Qin’s tyranny. Unlike the victory songs in *The Book of Songs*, *The Songs of Chu (Chu Ci)* depicts dire scenes. For example, *Hymn to the Fallen* describes a complete military defeat, reflecting the true state of the Qin-Chu War to some extent. True failure, when faced head-on, can be the foundation for a comeback. On the other hand, denying failure, masking it to soothe internal pain, and replacing sorrow with ‘victorious anthems’ only sets the stage for inevitable defeat.

The people of Lu might not have had many glorious victories to be proud of. However, in the *Hymns of Lu* in *The Book of Songs*, it seemed as though the Lu people were the greatest heroes in the world. Thus, the *Hymns of Lu* became a real shame. Similarly, the Song people, who were the descendants

1 A term derived from the character 阿 Q in Lu Xun’s novella *The True Story of Ah Q (阿 Q 正传)*. This concept embodies a kind of self-deceptive optimism and rationalization in the face of defeat or humiliation.

of the fallen Shang dynasty, harbored ambitions of resurgence, which in itself was commendable. However, their poetry in *Hymns of Shang* was excessively boastful, portraying them as still invincible. The reality, though, was that they failed to conquer others and instead used poetry to claim victory, which was truly shameless.

Shame is the soul of honor. Using myths to cover up shame not only diminishes one's humanity but also devalue the myths.

We must carefully scrutinize the so-called "facts" presented to us, as they are often lies written in blood. It's our duty to expose them.

Book One The Mythic Kingdom

The Chinese Mythological Systems

Many people dismiss Chinese mythology as a jumble of fragmented and incoherent stories, especially compared to Greek and Roman myths. Before evaluating this, let's first consider the basis of such claims.

Greek mythology as is widely known today primarily comes from Gustav Schwab's 19th-century book *Greek Myths and Legends*. It consists of two volumes with over 500,000 words. The content is extensive, and the narrative is consistent with few contradictions. The afterword of its Chinese translation explains: "This edition features extensive sourcing from various Greek texts, reorganizing the disjointed and contradictory Greek myths into a coherent system." It's clear that Greek mythology wasn't originally systematic; it was organized in the 19th century to appear as such. It is misleading to assess Greek mythology's inherent structure based on Schwab's work.

China has its comparable works. Yuan Ke's *Chinese Mythology and Legends*, spanning 600,000 characters, is even more extensive than Schwab's book. In terms of coherence, Yuan Ke's work is arguably more systematic. The stories of ancient Chinese deities are equally engaging and complex. However, some people fail to recognize these facts and stubbornly assert that Schwab's Greek mythology is systematic, while Yuan Ke's compilation of Chinese myths is not. This bias reflects a preference for foreign perspectives.

Greek and Chinese mythologies each have unique characteristics. While epic works like *the Iliad* and *the Odyssey* are absent from ancient Chinese mythology, this doesn't imply that Greek mythology is richer. *The Iliad*, despite its tens of thousands of words, focuses on a single war. In contrast, Chinese mythology includes numerous wars, though each is often described succinctly, some even in just dozens of words. Greek myths tend to be elaborate but focused, while Chinese myths are more concise but diverse.

In ancient times, clans were the natural breeding grounds for myths. Without clans, mythology could not have emerged. Ancient Greece and Rome, with their smaller territories and limited populations, were like minor factions compared to the vast clan groups of ancient China. Greek mythology eventually centered around the Olympian gods led by Zeus, encompassing the core of Greek myths. In contrast, ancient Chinese mythology couldn't be unified under a single deity. The multi-centered nature of Chinese mythology reflects the diverse and expansive nature of Chinese culture. In China, there are at least three major mythological systems: the western myths centered around the Yellow Emperor, the eastern myths centered around Di Jun, and the southern myths centered around Taiyi. Each mythological system has its unique style, with its supreme deities, sun god and moon gods, all in different forms. For instance, in the Taiyi system, the sun god is Dongjun, who wears "a robe of blue clouds and a skirt of white mist," known for his handsome and heroic demeanor as he "shoots at the celestial wolf with a long arrow." On the other hand, in the Dijun system, the sun gods are a group of young children, born to Dijun's wife, Changyi. Every day, the mother bathes the children in the Gan River, making these sun gods seem like fragile babies. Efforts were later made to unify Chinese mythological systems, but this did not stop the original systems from continuing to spread. Various mythological systems developed in parallel, intertwining with each other, resulting in an inevitable complexity and an unparalleled richness.

In addition, Greek and Roman mythology faced suppression with the rise of Christianity. When Christianity came to Rome, it labeled the Greek myths

as heresies, stifling their transmission. During the long Middle Ages, Greek and Roman mythology nearly vanished. Therefore, Greek mythology shone brightly in ancient times but lacked continuity, unlike the enduring tradition of Chinese mythology. Although Confucianism, Daoism, and Buddhism dominated Chinese culture, they incorporated popular myths into their beliefs instead of advocating an absolute deity. Daoism, in particular, incorporated numerous folk deities, while Buddhism included Daoist gods like Guan Yu as protectors. Therefore, orthodox religions did not entirely oppose folk religions by using doctrines to suppress popular deities. Instead, they became new sources of mythology. Deities often stepped down from solemn altars to become popular gods again. Chinese people adapted and transformed the orthodox pantheon, infusing their own values and creating a new method of deification. In the Song and Yuan dynasties, many folk religious groups that were related to Buddhism were actually their offshoot. But the myths they created were the genuine spiritual sustenance of the people. This enduring mythological tradition is what sets Chinese mythology apart from Greek mythology. Chinese mythology evolves over a long time, strengthening its pantheon, unlike the relatively short-lived Greek mythology.

Our discussion of Chinese mythology is not intended to disparage Greek mythology or elevate Chinese mythology unjustly. Rather, it aims to clarify that Chinese mythology is not as chaotic and insignificant as some suggest. Chinese mythology has its own developmental logic and unique system. To claim it has no system likely stems from inadequate research.

Ancient Chinese mythology is diverse and complex, but it is not a tangled mess. We can broadly describe the ancient mythological system as follows:

First, the royal rituals of the Xia, Shang, and Zhou dynasties. It began with the social rituals of the Xia dynasty, progressed to the worship of the Supreme Deity during the Shang dynasty, and culminated in the Zhou dynasty's trinity worship of the Supreme Deity of Heaven, Earth, and ancestors. This system formed the core mythology of these three ancient

dynasties and was preserved in royal altars for centuries. These deities have a strong natural element and, apart from being idols or symbols of authority and protection, few myths were associated with them. However, their institutional support has ensured their preservation in historical texts. This branch is the most systematic and complete in ancient Chinese mythology. The primary texts recording this mythological system are Confucian classics, such as *The Rites of Zhou (Zhouli)*, *The Book of Rites (Liji)*, and *The Book of Documents (Shangshu)*, as well as historical records like *Records of Sacrifices* and *Records of Suburban Sacrifices*. Since royal rituals were largely based on Confucian classics, this mythological system essentially became the Confucian mythological system.

Secondly, there is the ancestral and supreme deity system centered around the Yellow Emperor, primarily circulating in the regions of Qi, Lu, and the Three Jin states, which was later incorporated into historical texts like *Records of the Grand Historian*. This mythology has had a profound influence on future generations. It follows a clear lineage and upholds distinct values, with deities chosen based on their virtue and accomplishments. Those lacking virtue, like Shaohao, are removed from the pantheon and find recognition only among the Qin people. Unlike the sparse royal rituals, this system is filled with captivating stories. Although Sima Qian's historical treatment toned down some of the supernatural elements, the mythic allure still endures.

Thirdly, the Eight Gods of Qi, with a strong local flavor and well-ordered hierarchy. These include the Lord of Heaven, worshipped at Tianqi; the Lord of Earth, worshipped at Mount Tai and Liangfu; the Lord of War, worshipped at Chiyou; the Lord of Yin, worshipped at the Three Mountains; the Lord of Yang, worshipped at Zhifu; the Lord of the Moon, worshipped at Mount Lai; the Lord of the Sun, worshipped at Mount Cheng; and the Lord of the Four Seasons, worshipped at Langya. These deities represent various aspects of nature, with Chiyou revered as the ancestor of the Jiang clan. Like royal rituals, we know the ceremonial practices of the Eight Gods but not their myths, except for a few tales about Chiyou.

Fourthly, the Ten Gods of Chu, with a distinct and strict hierarchy, including the Eastern Emperor Taiyi, the chief deity; Dongjun (Lord of East), the Cloud Master, a sun god; Fengshen, the Phoenix God; Xiangjun (Lord of Xiang) and Xiang Furen (Lady Xiang), a divine couple; Grand Siming and Lesser Siming, deities of life, death, and children; Hebo, the River God; Shanguai, the Mountain Spirit; and Guoshang, the national martyrs. These gods, organized by the poet Qu Yuan, have vivid and poetic images, despite the simplicity of the stories. Their lyrical and emotive nature is unmatched by other deities.

By the Han dynasty, apart from the Confucian mythological system based on royal rituals, Daoist and Buddhist myths also developed. The three religions of Confucianism, Daoism and Buddhism, instead of completely replacing each other, give birth to numerous myths in competition. By the Tang and Song dynasties, a tripartite balance was fully established. From the Song and Yuan dynasties onwards, a new mythology centered around the Jade Emperor gained widespread recognition and kept the divine realm in good order. Claims that Chinese mythology lacks order and system are thus unfounded and irresponsible.

The Pantheon of Chinese Deities

Chinese mythology has an abundance of deities, possibly unmatched anywhere in the world. Yuan Ke's *Dictionary of Chinese Mythology* contains over three thousand entries, most of which are deities with very few immortals. Various collections of immortal biographies, often numbering in the thousands, are not included in Yuan Ke's dictionary. Immortals are a unique category in Chinese mythology that cannot be ignored. According to the *Comprehensive Dictionary of Chinese Ghost Culture*, there are over six thousand recorded ghosts. Thus, there are undoubtedly more than ten thousand recorded ghosts, gods, and immortals. The number of deities, spirits, and supernatural beings in various regions and ethnic groups is incalculable, making China exceptional in this regard. Many people claim that Chinese people do not strongly believe in gods and spirits and have weak religious consciousness. However, how can one explain the sheer number of deities in China? Does disbelief in religion result in more gods and spirits?

In fact, during the widespread dissemination of primitive religion among the populace, there were countless minor gods and spirits. As religion evolved to be promoted by the ruling class, these minor gods and spirits receded. In other words, the more developed the religion, the fewer the number of gods and spirits. Conversely, when religion is in its nascent state, countless gods and spirits emerge and proliferate. Ancient Greece and Rome were rich in myths but lacked significant religious doctrines. Consequently, when Christianity entered Rome, ancient mythology quickly faded. As mature Christianity spread worldwide, local myths crumbled. This is not to say that Christianity lacks beliefs in gods and spirits; rather, its deities annulated those of primitive and folk religions. The exclusivity of monotheism led to the demise of minor deities and folk religions deemed heretical.

China had similar historical experiences, but with its own unique

characteristics. The Northern Wei, established by the Xianbei ethnic nationality, was culturally less advanced than the Han. At its inception, the royal altars were filled with “barbarian gods,” numbering in the thousands. Emperor Xiaowen implemented Han policies, standardizing the royal altar offerings based on Confucian classics like *The Rites of Zhou* and *The Book of Rites*, eliminating thousands of miscellaneous deities. This integrated Xianbei culture with the traditional Chinese culture. However, the polytheistic beliefs among the people remained intact, with numerous deities serving specific functions. The Northern Wei government, which revered Buddhism and later supported Daoism, tried to get rid of those minor religious beliefs, only to see the deities of these religions become more popular. Although Confucian deities dominated the royal altar, this was largely symbolic, reflecting the state’s authority rather than providing spiritual sustenance to the people, and it lacked the power to unify different religions. Confucian rites themselves planted the seeds of polytheism, as Confucian classics emphasized the worship of mountains and rivers and designated major deities for famous mountains and great rivers, so it’s just natural for smaller mountains and streams also to have their minor deities. Furthermore, Confucianism, developed from a primitive religion, retained many aspects of the primitive religion and pantheism. Therefore, Confucianism could not suppress polytheism; it actually fostered it. In addition to the worship of mountains and rivers, the Confucian tradition of ancestor worship continually added new ancestral deities, expanding the pantheon. Although the tradition suggested abandoning temples after the seventh generation, people often resisted, continuing to honor their ancestral deities beyond that point. Even with dynastic changes, the new rulers did not completely eradicate the descendants of the previous dynasty. Instead, they often granted them a place to live and allowed them to continue worshipping their ancestors, ensuring the continuation of their rituals. This practice, perceived as “imperial benevolence,” inadvertently preserved the deities and myths of the previous generations. For instance, the epics of the Shang dynasty, as found in the Zhou’s literature, were preserved

through the hymns of the Song state, descendants of the Shang people.

Confucianism holds that rulers or leaders who benefit the people should be worshipped, their names included in sacrificial rites. Thus, legendary figures like Yao, Shun, and Yu became gods. This principle extended to anyone who made significant contributions to the people, such as Li Bing, who managed the Dujiangyan irrigation system and was deified. The numerous benefactors throughout history have led to a substantial number of good gods.

There is also the notion that both good and evil spirits should be worshipped. Good people become benevolent gods, while bad people become malevolent gods, requiring propitiation. For instance, although Emperor Qin junior was a worse tyrant than Qin Shi Huang, the father, the Han dynasty still arranged for him to be worshipped by shamans at the Nanshan Mountain. This inclusion of malevolent gods expanded the already extensive pantheon.

China, a multi-ethnic nation, sees each ethnic group with its religious traditions. When some ethnic groups came to rule or joined the greater Chinese community, they often adopted elements of Confucian, Daoist, and Buddhist cultures, while not immediately abandoning their own deities. For example, the Jurchen retained many deities after being defeated by the Mongols and later, during the rise of the Manchus, many deities were carried over and developed from the Liao and Jin dynasties. The cultural intermingling among various ethnic groups resulted in a rich and diverse pantheon, reflecting the flourishing cultural ecology of multi-ethnic China.

The polytheism in Chinese society has its origin in the Chinese tradition of imperial ruling and the small-scale agrarian economy. In traditional Chinese society, imperial power was above divine power, with the emperor monopolizing divine worship. The emperors did not wish to share the same deities with commoners, feeling it beneath their dignity. They created a closed system of divine worship, excluding the people. Commoners would not dare to pray at the Temple of Heaven or worship at the Altar of Earth and Grain. Despotism in China created not unity but hierarchy, dividing society into the ruling and the ruled. The latter, predominantly subsistence farmers, provided

the fertile land for polytheism.

Since royal deities were inaccessible, and ordinary people also had religious needs, local deities emerged. Each village had its own deities, creating a lively and diverse religious scene. The self-sufficient nature of these agrarian communities meant that local deities did not spread to other areas. The deities were locally nurtured and did not require official recognition. Thus, the belief in deities among the populace remained relatively free, paradoxically due to the monopolistic nature of imperial control. Extreme monopoly led to extreme dispersion.

Was polytheism beneficial for ancient Chinese society? Is monotheism inherently superior, as seen in some developed Western societies? Although some believe Western societal development is linked to monotheism, monotheism is not a guaranteed path to prosperity. Many monotheistic nations remain impoverished and unstable. Monotheism is not the ideal form of national religion, and polytheism has also fostered prosperous cultures.

Polytheism allows for spiritual freedom among the people. Religious monopoly suppresses thought and freedom, hindering academic development, as seen in medieval Europe. The Renaissance began with humanists breaking free from religious control, reviving ancient Greek and Roman mythologies to challenge medieval religious dominance. Thus, ancient polytheistic myths aided the humanist victory over ecclesiastical authority, demonstrating that polytheism can resist authoritarian control.

In Chinese history, polytheism played a positive role against feudal despotism and seeking spiritual freedom. During oppressive times, local deities provided solace and support, independent of central authority. Since these gods were created by the common people according to their own wishes, they were expected to provide help during times of crisis. Qin Shi Huang's cultural despotism was unmatched, using every means to control thoughts and prevent rebellion, yet it couldn't stop local deities from aiding rebels. For example, Liu Bang prayed at the Banyushe shrine before his uprising, indicating that local shrines did not align with Qin's rule but supported dissents. After

gaining power, Liu Bang remembered the shrine's support and ordered it to be repaired and properly maintained, with regular sacrifices. Polytheism gave the oppressed a source of solace and encouragement to change their fate, fostering confidence in the pursuit of freedom and happiness. Polytheism played a vital role in social revolutions in ancient China, and its cultural significance cannot be ignored.

Polytheism fosters cultural diversity. While monotheistic deities have a stronger influence, they lack the vibrancy and color of polytheism. The varied and dynamic nature of polytheism offers undeniable advantages over monotheism.

Inequality Before Gods

The strict social hierarchy of ancient Chinese society was distinctly reflected in the divine realm. Mythology reflects reality, but it is also an integral part of real life, maintaining the existing order and participating in the running of society. Traditional mainstream mythology was part of the social hierarchy.

A notable feature of Chinese mythology is the strict hierarchy within the divine realm. The worship of deities was also hierarchical, with major gods receiving offerings only from emperors and nobles, while common people had no access to them. This is evident in texts like *The Classic of Mountains and Seas*, which describes “the earthly capital of the Heavenly Gods,” a dazzling and enchanting place, but only benevolent Hou Yi alone could ascend to the heavens, not others. From the early clan society, there were people specializing in communicating with gods, known as shamans, who became the first privileged class. Initially, shamans were clan leaders, but over time, clan leaders assumed shamanic roles to monopolize the communication with gods. At that time, the leaders’ power included a monopoly over social property and the lives of the people. Taking on the role of shaman was simply an extension of this power. Although the leaders themselves might not have been the best shamans, they assumed this role to monopolize the communication between humans and gods. Despotism had its roots in the clan society and grew stronger in a stratified society.

Kings inherited this tradition, monopolizing divine communication. While kings held greater power than ordinary shamans, shamans became secondary figures, often looked down upon. As Sima Qian noted, shamans were kept like entertainers, and their status diminished in the eyes of the public. However, this decline in status did not mean the abandonment of the monopoly over the divine realm. Instead, it was a direct result of secular

kings monopolizing divine authority. This obstruction of communication between the gods and the people had two results: first, only the king and a few privileged individuals could approach the gods, and second, the gods could only interact with the king and enjoy royal offerings. Such gods were of no use to the common people.

In Qu Yuan's *On Encountering Sorrow*, he embarks on a journey across heaven and earth to convey his deep emotions and unwavering devotion, only to be refused entry at the heavenly gate. The "gatekeeper" did not open the door, glaring at him instead. This illustrates that the celestial city was not open to commoners.

Heaven's gates were reserved for kings, who often received divine mandates directly. For instance, Qin Shi Huang's mysterious Feng and Shan sacrifices on Mount Tai were so secretive that even Sima Qian could not fully document them. In *Records of the Grand Historian: Feng and Shan Sacrifices*, it is stated, "The rites were mostly derived from the sacrifices to the Supreme Deity, but the details were kept secret, unknown to the world." Later, Emperor Wu of the Han dynasty built the Ganquan Palace and conducted mysterious rituals there, also shrouded in secrecy: "The details were secret, unknown to the world." The deity of Mount Tai could only be worshipped by the emperor. Although Daoism later allowed commoners to worship Bixia Yuanjun and the Great Emperor of the East Peak on Mount Tai, the Feng and Shan sacrifices remained strictly imperial rites. During the Spring and Autumn period, Duke Huan of Qi wanted to worship at Mount Tai but was dissuaded by Guan Zhong. This shows that the sacred site of Mount Tai was not accessible to commoners, and only emperors could perform the Feng and Shan sacrifices. These sacrifices were not for worshipping the Great Emperor of the East Peak but for the gods of heaven and earth, essentially the imperial deities. For thousands of years, rulers kept these deities locked within their palaces, preventing any interaction with the common people. What did this monopoly ultimately bring to the rulers?

Initially, they were driven by despotism and a desire to keep the populace

ignorant. However, the results were not as favorable as they imagined. Take the Zhou dynasty's religious beliefs, for example. These beliefs had specific customs intended to maintain their pyramid-like culture, but ultimately, this "pyramid" collapsed. According to ancient texts like *The Rites of Zhou* and *The Book of Rites*, only the kings of the Zhou dynasty could worship the Supreme Deity of Haotian and the royal altars. The feudal lords and officials dared not perform these rites themselves. For instance, the state of Lu, due to its connection with the Duke of Zhou, could worship the Supreme Deity, but Qin's worship of the White Emperor was considered usurpation. Each social class worshiped deities appropriate to their status, such as the rituals for the god of the land. *The Book of Rites: Ritual Laws* states: "The king establishes the grand altar for the people, called the great altar; the king also establishes his own altar, called the royal altar. The feudal lords establish altars for their people, called state altars, and their own altars, called lord altars. Officials below them establish group altars." The god of the land, or "She," held a status almost equivalent to the heavenly emperor in ancient China and symbolized royal authority. Possessing an altar meant possessing the land or the country. The Zhou king had the royal altar, and the feudal lords had their altars, indicating they shared the king's land ownership to some extent. Officials did not have their own altars because they did not own land. There were also seven sacrifices, including deities like Life and Death, Thunder, Gateways, National Travels, Plagues, the Household, and the Kitchen. The king established these sacrifices for himself and the common people, with the number of sacrifices decreasing by rank: feudal lords had five sacrifices, officials had three, scholars had two, and commoners had only one, either for the household deity or the kitchen god. Commoners were not permitted to worship the higher gods. This hierarchy reinforced class distinctions but also alienated the people from their rulers. In the later Western Zhou period, people not only stopped revering heaven but also cursed it for its perceived injustices. Many passages in the *Elegies* of *The Book of Songs* express this anger, as people condemned heaven's blindness, essentially ringing the death knell for the Zhou rulers.

This exclusivity backfired. The Zhou dynasty's strict divine hierarchy intended to maintain their centralized culture and prevent possible rebellions and usurpation, but instead, it led to its downfall. The common people grew distant from the central authority, leading to cultural fragmentation and the eventual collapse of Zhou's ritual system. As a result, by the late Western Zhou period, Zhou culture became fragmented, with rituals collapsing and the hierarchical system established by figures like the Duke of Zhou disintegrating. The Zhou dynasty eventually relied on local feudal lords for support, and the originally established religious hierarchy was completely disrupted. The people of Chu once showed their respect for Zhou rituals by abstaining from river worship, but later they challenged them and brazenly questioned the weight of the Zhou's sacred tripod cauldrons. By not sharing the divine blessings with the common people, the rulers lost their support. Once the culture of the ruling class became an isolated luxury, it was inevitably abandoned by society.

The pitiful kings of late Western Zhou and Eastern Zhou lived like beggars, seeking blessings from the Supreme Deity of Haotian, who no longer paid attention to these despotic and inept rulers. They had blocked the connection between the deity and the people, so how could the Supreme Deity still care for these "sons of heaven"? Ultimately, they were completely abandoned by both the Supreme Deity and the people.

In medieval Europe, the Church similarly monopolized divine communication, requiring people to go through clergy to reach God. Although this was somewhat better than the Western Zhou rulers exclusively receiving the Supreme Deity's blessings, such a monopoly still did not win the favor of the people. Martin Luther's Reformation challenged this exclusivity by advocating for direct access to God for all, which weakened the Church's control while unifying cultural and spiritual practices, ultimately strengthening societal cohesion. This significant cultural unity left a profound touch on human history, in stark contrast to the religious inequality in the Zhou dynasty.

Chinese culture did not have a unified religion but a unified political

authority. The rulers suppressed the spiritual lives of the people, thinking it would thus keep them subservient. However, this only led to the proliferation of local deities as people created their own gods. These practices, labeled as “illicit worship” by the authorities, served as spiritual sanctuaries against official oppression. Examining the history of Chinese mythology, we find that the chief gods changed with nearly every dynasty, and different regions had their own local deities. This situation is unimaginable in regions dominated by Christianity or Islam. Ancient Chinese rulers did not allow common people to share the same divine halls, leading to increasing estrangement among the populace. Rather than contesting the right to worship the emperor’s gods, the people created their own “gods.” These local deities governed such small areas that traveling from one village to another could mean encountering entirely different gods.

In rural areas, there would be an Earth God temple even on a very small piece of land worshipping a different local deity from the neighboring village. Every city had a City God, each with its own unique story. The influence of these local Earth and City Gods far exceeded that of the Supreme Deity, as they were the ones truly concerned with the people’s lives. The vast and diverse pantheon of local deities in China reflects the social characteristics of its agrarian society.

In the West, equality before God allowed for individual freedom but did not permit the choice of one’s deity. In China, the inequality before a supreme deity restricted religious practice but encouraged the development of numerous local gods. This contrast highlights a single, supreme deity in the West versus a multitude of smaller, yet culturally significant, local deities in China.

Excessive Worship

“Excessive worship” implies going overboard in religious rituals. Does it mean worshipping too many deities? Partially yes, but the more important issue is worshipping those who shouldn’t be worshiped. *The Book of Rites: Quli* defines it: “Worshipping spirits that are not one’s own is called excessive worship, and excessive worship brings no blessings.” This implies that deities do not bestow blessings on just anyone; they only serve certain people, suggesting to those who engage in it better to avoid it.

Zuo Zhuan, or The Commentary of Zuo, explains: “Spirits do not accept offerings from those outside their clan.” Thus, only descendants or those of the same clan are blessed. Extravagant offerings mean nothing if the spirits do not accept them, leading to the norm: “People do not worship spirits that are not their own.”

These rules didn’t reduce the number of deities but rather restricted their expansion, making it hard for one deity to dominate. Each deity governed a small realm, maintaining polytheism. Therefore, opposing “excessive worship” wasn’t about opposing polytheism but about preventing unauthorized worship.

During the Spring and Autumn period, each state had countless deities, rarely criticized. For instance, Qi had the “Eight Deities” since Jiang Taigong’s time. Even Qin Shi Huang didn’t abolish them; instead, he worshiped them. In Han times, these deities still received offerings. Is this excessive worship? “Excessive worship” brings no blessings, so why are people still engaged in it? In fact, it is human, not gods, who decide on the blessings. If the emperor says worshipping a certain deity brings blessings, then it does. The central government can worship local gods, but local people cannot worship the gods of the government. This is a principle in the ritual system. The local “excessive worship” practices are acceptable as long as the central government deems them beneficial. For example, in *Nine Songs* from *The Songs of Chu*,

Han people considered Chu's excessive worship inappropriate, yet deities like the Lord of the East, the Cloud Lord, and the Director of Destinies from Chu's "excessive worship" were worshiped at the central Han altar. This shows that whether a worship is "excessive" depends on who is performing it. The emperor's numerous rituals are never considered "excessive," but if the common people's rituals displease the royal court, they are likely deemed "excessive".

In the Spring and Autumn period, no one questioned excessive worship, but by the Han dynasty, criticisms arose. For example, Qin Mugong began worshipping the White Emperor, which was considered usurping. However, the Han people's beliefs in spirits were stronger than Zhou people's, so they mostly ignored excessive worship.

In the late Eastern Han, social unrest and the spread of Zhang Jiao's Taiping Dao, a Taoist sect, proclaiming "Heaven is dead, the Yellow Heaven will rise," led to mass revolts, marking the dynasty's decline. The ruling classes, seeing religious uprisings as threats, didn't reform its rule, but cracked down on "excessive worship." In the Wei kingdom, a harsh decree was issued:

"The former kings established rites to demonstrate filial piety and ancestor worship. The grand rites included those for the suburbs and altars, followed by the ancestral temples, the celestial bodies and the five elements, and the famous mountains and great rivers. Anything outside these categories was not included in the sacrificial canon. In the declining age, people revered shamans and diviners, performing sacrifices everywhere within palaces and houses. This is deeply misleading. From now on, anyone who sets up unauthorized sacrifices or follows the words of shamans and diviners will be judged as practicing heresy." (Records of the Three Kingdoms: Biography of Emperor Wen of Wei)

This ruler, who once claimed that literature was "the grand enterprise of the state, an immortal achievement," was also a destroyer of heterodox cultures, which is quite surprising. Since Cao Pi initiated this practice, successive emperors issued increasingly harsh edicts against "excessive

worship.” However, the so-called “excessive worship” only grew more rampant.

The authorities’ ban on “excessive worship” was clearly addressing the symptoms rather than the root cause. The real issues they needed to address were how to alleviate the people’s hardships and how to establish an ideal social system. However, they didn’t do this. They believed they were always right, believing “excessive worship” or the rebellions were due to “restlessness.” They thought that by banning “excessive worship,” peace would be restored. This naive approach was, to some extent, the root cause of their downfall.

Why did “excessive worship” flourish? If we examine the powerful social rebellions throughout history that were fueled by religious movements, we often find that their root cause was the “promise of peace.” The Yellow Turban Rebellion led by Zhang Jiao was fueled by the people’s longing for peace, which resonated with the promises of the Way of Great Peace. In the late Eastern Han dynasty, the political scene was darkened by the manipulation of eunuchs and relatives of the emperor, leading to warlord conflicts and widespread suffering. The people, struggling for survival, saw no value in the existing “heavenly mandate.”

At this time, Taiping Dao attracted the people like a magnet, rallying them under the banner of revolution. The people fought for peace, and their actions were just, even though the rebellion ultimately failed. It left a tragic yet heroic legacy. Zhang Jiao’s actions made later rulers vigilant against such movements. They issued bans and culturally labeled these rebels as “peace bandits” or “grain bandits.” Yet, people still remembered these “bandits” fondly. In Chinese mythology of later times, the Jade Emperor, the supreme deity, was said to have the surname Zhang, reflecting Zhang Jiao’s opposition to the Liu family of the Han dynasty. This suggests that as long as there is injustice and suffering, it will be hard to eradicate “excessive worship.”

Of course, “excessive worship” generates many problems, the most notable being superstition and ignorance. *General Interpretations of Customs* recounts an absurd story about the Plum God. A man working in the field found a plum pit, which he planted in the hollow of a mulberry tree. To his

surprise, a small plum tree sprouted and grew lushly. One day, a person with an impaired eye rested under its shade and claimed, “If the Plum God cures my eye. I will offer a pig in gratitude.” A few days later, his eye healed, and this story spread, drawing thousands of people with offerings to the tree, which became the “Plum God.” This frenzy lasted over a year until the farmer, surprised by the commotion, said, “What kind of god is this tree? I planted it.” He chopped down the tree, and the “Plum God” disappeared.

Such excessive worship practices, like the worship of the “Plum God”, have been common throughout history and should indeed be banned. The problem is that successive dynasties showed little outrage towards such superstitions, as these ignorant behaviors did not threaten their rule. What worried them most was the potential for “long-term chaos and accumulating confusion,” which could destabilize their reign. Therefore, they took harsh measures against “excessive worship.”

Therefore, the rulers’ bans on “excessive worship” were not aimed at superstition itself but at preventing possible rebellions using religion as a tool. Thus, when we discuss “excessive worship” here, we refer to religious activities that do not purely involve superstition. Acts like the worship of the “Plum God” are not what we specifically mean by “excessive worship,” although they indeed are.

The anti-government actions of “excessive worship” should not be seen as purely anti-social behaviors, which would classify them as “cults.” Anti-government actions might be revolutionary, while anti-social actions are typically destructive. For example, Japan’s Aum Shinrikyo and Order of the Solar Temple from the United States engaged in acts like releasing poisonous gas and carrying out assassinations, which were harmful to society. Banning such evil actions is a righteous act. Therefore, distinguishing whether an activity is anti-government or anti-social is crucial in understanding the nature of “excessive worship.”

In traditional Chinese society, uprisings related to by “excessive worship” were primarily anti-government rather than anti-social. Although some

movements showed tendencies toward violence, they were generally aimed at resisting the authorities. Therefore, the so-called “cults” in traditional society need to be examined on a case-by-case basis. Various folk sects derived from the White Lotus Society since the Song and Yuan dynasties constitute a valuable cultural heritage. Their uprisings were driven by a natural resistance to ethnic and class oppression, and a true longing for a better future and a peaceful world. Practitioners of “excessive worship” were idealists, rebelling against secular culture. They embodied spiritual milestones in a culture focused on the here and now. In such a context, the idealism of folk religions was particularly valuable.

“Excessive worship” offered people greater spiritual solace. As a heterodox belief system, it primarily opposed Confucian orthodoxy. While Confucian culture had its superstitions, it outwardly maintained that people should rely on themselves in prosperous times and turn to the divine in times of decline. Confucianism aimed to expose and discredit folk religions, adopting an atheistic stance against “excessive worship.”

During the Qing dynasty, a court official criticized the White Lotus Society’s utopian vision, stating that “earthly joys are tangible, while heavenly joys are illusory. Seeking joy in cults led to hardship and false hopes. They claim that suffering and death lead to a joyful realm, but who has ever seen it? Such promises are not credible.” Although earthly joys are real, so are earthly sufferings, often outweighing the joys, especially in times of turmoil. In such times, a rational attitude is needed to face and overcome difficulties. However, hardships are constant, and solving one problem often leads to another. This endless cycle can lead people to a “live for today” mentality or even existential nihilism. For ordinary people, whose spirits were stifled by rigid feudal norms, seeking brief spiritual solace through “excessive worship” was understandable. It provided a needed escape from their harsh realities.

We can also see that “excessive worship” has brought about flourishing art. Many golden ages of Chinese art are linked to “excessive worship.” Regarding Chu culture, Wang Yi noted in his commentary on *The Songs*

of *Chu* that the people of Chu, especially in the southern city of Ying and between the Yuan and Xiang rivers, were devoted to spirits and rituals, indicating their fondness for “excessive worship.” Qu Yuan, slandered and exiled, wandered the Yuan and Xiang rivers, observing the locals singing and dancing to entertain the gods, which inspired him to create *Nine Songs*. These songs are exquisitely beautiful, with a romantic quality that makes them masterpieces of poetry. *Lady Xiang* expresses melancholic sorrow, *Mountain Ghost* depicts bitter loneliness, and *Fallen Warriors* has a tragic grandeur. Their artistic appeal has endured for millennia. The Chu temples were adorned with murals depicting the creation of the world, gods, spirits, and historical figures. These can largely be considered religious paintings, created to accompany “excessive worship.” Qu Yuan, in his anguish, confronted the gods, pouring out his grief and confusion over the distorted moral order, resulting in the profound and rhythmic poetry—*Heavenly Questions*. This work is the most intriguing and timeless piece in *The Songs of Chu*, admired by writers through the ages for its brilliance. Who would have thought this talent was nurtured by the atmosphere of “excessive worship”?

Archaeological discoveries reveal the splendor of Chu art, from bronzes to lacquerware, showcasing unique artistic styles. The silk paintings of *Portrait of a Man with a Dragon and Phoenix* and *Portrait of a Man Riding a Dragon* represent the pinnacle of ancient Chinese painting, with themes typical of “excessive worship.”

Liu Yuxi’s *Bamboo Branch Songs*, inspired by the “excessive worship” customs of the Bashu region, brought fresh air to the waning Tang poetry. Li He, fascinated by supernatural beings, defied reality with his sharp pen. Numerous Ming and Qing novelists alluded to ghosts and spirits to critique society. Clearly, “excessive worship” provided an indispensable backdrop for literary and artistic creation.

The merits and demerits of “excessive worship” are complex, but one must remember: don’t dismiss it outright just because of the word “excessive.”

Auspicious Omens

What is an auspicious omen (Rui)? Simply put, it is a good sign. Any sign that appears before a good event is an auspicious omen. As auspicious means good, it is also called an auspicious omen. For example, the appearance of a unicorn is an omen indicating that Confucius will become a “King without a throne.” Additionally, the emergence of the Yellow River map and the Lo River book are seen as signs of a peaceful world. Zisi, the grandson of Confucius, said, “When a nation is about to prosper, there must be auspicious omens,” indicating that omens are heavenly signs that foretell the emergence of sages and national peace. The connection between auspicious omens and heaven shows that an auspicious omen is a mythological concept.

Auspicious omens often refer to natural or man-made anomalies. However, not all anomalies are auspicious; some are disasters, such as earthquakes and solar eclipses, which are considered evil omens. Only those anomalies associated with positive outcomes are considered auspicious. But how can we tell which anomalies are auspicious? It is actually difficult to define. For example, if smoke rises from a certain place, it could be auspicious, representing the emperor’s aura, or as an evil omen, representing chaos. There is no definite way to judge.

Fortunately, some classic “auspicious” forms help establish basic categories of auspicious omens. For example, the appearance of a phoenix is a sure sign of good fortune because ancient texts say that when the Zhou dynasty was in power, the phoenix sang on Mount Qi, symbolizing world peace. Similarly, the appearance of a yellow dragon signifies the emergence of a true emperor or the recognition of a legitimate dynasty. For instance, in the Han dynasty, the appearance of a yellow dragon in Chengji was seen as an auspicious sign, corresponding to the prophecy in the *Book of Rites* about the yellow dragon bearing the map, confirming the legitimacy of the Han dynasty.

From historical auspicious signs, we can create a simple list: dragons, phoenixes, one-horned beasts, three-legged birds, Qilins (a mythical hooved chimerical creature), luans (a mythical bird), yellow cranes, auspicious grasses, sweet dew, black tigers, white deer, eight-eyed turtles, featherless birds, five-colored birds, three-horned deer, grain rains, gold rain, pearls from the sea, and jade from the valley. Did these auspicious omens and objects really appear? Perhaps, but most were possibly just rare natural phenomena or unusual natural objects. For example, a rain of grain could be explained by a tornado carrying grain from another place, which would actually be a disaster rather than an auspicious sign.

The appearance of the phoenix is also questionable. During Emperor Xuan's reign in the Han dynasty, many "auspicious" phoenixes were reported. According to ancient texts like *The Classic of Mountains and Seas*, the phoenix is described as a colorful bird resembling a chicken, singing and dancing, and symbolizing world peace. However, few have truly seen it. As Emperor Xuan's decrees urged people not to shoot birds or disturb nests in his decrees, it seems that the phoenixes were merely colorful birds without divine qualities. In one story, a hunter caught a pheasant and presented it to the King of Chu as a phoenix, turning himself into a joke. This story suggests that the entire concept of the phoenix is a fabrication. An honest king like the King of Chu did not pretend the pheasant was a phoenix, but a vain king might have done so, turning the pheasant into a "returning phoenix". Therefore, the so-called auspicious omens and objects are proved to be non-existent. Claims of auspicious signs are often just deceptions.

Auspicious omens were considered signs of heavenly approval for ruling, fitting only for a true "Son of Heaven." Before Chen Sheng's rebellion, he fabricated omens such as words written on silk hidden in a fish's belly and claiming the cries of a fox were signs of his kingship. His followers believed these omens, but after his failure, Sima Qian exposed the deception, discrediting the omens.

Conversely, Liu Bang's killing of a snake, which he claimed was the son

of the White Emperor, faced no skepticism. Despite Sima Qian's criticisms of Liu Bang for his fondness of wine and women, he did not doubt the auspicious signs associated with Liu Bang. He noted Liu Bang's unusual features and the purple aura above the mountain where he resided, which even Qin Shi Huang's observers reported as a sign of a new ruler in the southeast. It appears that skepticism towards such omens was rare in ancient times.

During the reign of Zhenzong in the Song dynasty, fake heavenly books were used to deceive people. A minister criticized this, quoting, "When a nation is about to prosper, it relies on people; when a nation is about to fall, it relies on gods," showcasing a rare rational spirit. However, such rational individuals were few and far between. People often dismissed fabricated omens like those of Chen Sheng as falsehoods while believing in the auspicious signs of emperors. Later, rulers decreed that only the highest authorities could discuss omens, turning auspicious signs into an exclusive tool of political mythology.

Auspicious omens became a means for kings to bolster their legitimacy, demonstrating that they had heavenly approval. These myths often arose when rulers were about to ascend to power or had just done so. At these times, their positions were unstable, and they needed the support of the people. Hence, the founding emperors often had extraordinary origins. They were typically not born from the union of their parents but rather from their mothers' dreams of mating with a dragon or dreams of the sun's essence entering their bodies. In short, they were believed to be not of human descendants but of divine birth, making them true "Sons of Heaven."

These true "Sons of Heaven" needed auspicious signs to validate their claims before they became rulers. This is why myths about omens were so prevalent during their rise to power. For subsequent generations, such myths were unnecessary since they were already established as descendants of the divine. Introducing new myths would undermine the divine status of their ancestors.

If a regime faced a crisis, rather than disasters, auspicious signs would

often appear. Rulers would use these signs to stabilize their rule and mitigate the crisis. While this strategy was somewhat effective, its impact was ultimately limited and often self-deceptive. In cases where rulers relied heavily on auspicious signs as a last resort, it generally led to their downfall, as seen in the later political life of the Western Han dynasty.

Han Wudi was known for his exceptional civil and military achievements, but his extravagance and fondness for grandeur depleted the national treasury. After exhausting the wealth accumulated since the founding of the Han dynasty, the country faced significant financial difficulties. When Emperor Zhao ascended the throne at the age of eight, the situation was dire: the invading Xiongnu (a nomad people from Central Asia) were killing officials and civilians, internal rebellions were breaking out, and natural disasters such as severe droughts and palace fires plagued the country.

Despite these hardships, during Emperor Zhao's reign, a yellow crane descended into the Taiji Lake in Jianzhang Palace, prompting ministers to offer congratulations and the emperor to distribute money from the treasury to celebrate with princes and nobles. Later, reports of a phoenix appearing in the East Sea led to a hasty dispatch of officials to perform sacrifices, though the "phoenix" likely did not wait for their offerings and flew away. The priority for the emperor and the court was not verifying the phoenix's presence but spreading the news to suggest a coming era of peace, as the sighting of a phoenix was believed to herald a tranquil world. The reported appearance of the phoenix during Emperor Zhao's reign was a whitewashed facade to conceal the crumbling country.

Emperor Zhao reigned for thirteen years and died without an heir, indicating the decline of the Liu family line. His successor, Emperor Xuan, a great-grandson of Emperor Wudi, inherited a troubled kingdom. During Emperor Xuan's reign, the reported appearance of phoenixes increased dramatically, as the *Book of Han* documented over ten such auspicious events. However, natural disasters and border conflicts were frequent, and famine was widespread. Even Emperor Xuan could not ignore these harsh realities.

When an earthquake destroyed the ancestral temples, Emperor Xuan issued a decree to exempt disaster victims from taxes, a commendable act. However, he also tasked the chancellors, nobles, and scholars with contingent measures, or giving auspicious interpretations to the disasters. Following the earthquake in April, phoenixes gathering in the Beihai region was reported in May, despite the ongoing aftershocks and unhealed wounds from the disaster. This “contingent measure” indicated the court’s desperation to use “peaceful scenes” to counteract the crisis.

The following year, Emperor Xuan changed his era name to “Dijie” (Earth’s Rhythm) to imply that the earth would regain stability and stop shaking. This is a superstitious attempt to control nature through ritualistic language. Due to repeated reports of phoenixes and divine sparrows, the era name was later changed to “Shenjue” (Divine Sparrow), with increased reports of auspicious signs such as miraculous grains, sacred plants, divine beasts, white tigers, phoenixes, and dancing fish. The era seemed filled with celebration and happiness. Not long after, the era name was again changed to “Wufeng” (Five Phoenix) due to the reported appearance of five phoenixes.

The officials or local governors who understood Emperor Xuan’s desires gave exaggerated or false reports of these auspicious signs for rewards or favors. For instance, a report from Xincai claimed a phoenix gathering with over ten thousand birds aligning with the phoenix. Despite the lack of photographic evidence and the dubious nature of the report, the emperor rewarded the local officials and the people: The emperor granted 100 bolts of silk to the governor of Runan, and rewarded the officials of Xincai, the elders, filial sons, diligent farmers, and the widowed, orphaned, and solitary, each according to their rank. Additionally, the common people were granted a two-rank nobility promotion and exempted from paying that year’s taxes. This undoubtedly encouraged officials to report auspicious omens, which in turn led to further fabrications. As a result, widespread deceit took hold, contributing to a decline in societal integrity.

Auspicious omens evolved into a form of political mythology, often

serving as a smokescreen to deceive the public. These fabrications were crafted to enhance the emperor's image, creating the illusion of divine approval and national prosperity. The collusion between rulers and their subordinates subtly perpetuated these falsehoods, effectively obscuring the underlying reality.

Heavenly Aura

The “Heavenly Aura” is also considered an auspicious omen. If a place where a potential ruler resides is said to have a “Heavenly Aura,” it suggests that this person might become an emperor. Once someone ascends to the throne, they become vigilant, constantly monitoring for the presence of such an aura elsewhere. If detected, they take immediate action to eliminate it, fearing that it might become a threat to their reign and possibly lead to their overthrow. Historically, emperors kept “aura watchers” in their courts. These watchers, ranging from a few to hundreds, kept a keen eye on the land to ensure the safety of the empire.

The Qin and Han dynasties placed significant emphasis on aura watching. If an aura watcher detected the presence of a “Heavenly Aura” or “Royal Aura” in a particular direction, the emperor would take decisive measures to get rid of it before it was too late. Theoretically, a “Heavenly Aura” or “Royal Aura” represents the will of heaven, an irreversible “divine mandate.” How, then, could a reigning emperor alter heaven’s will? When heaven grants them the throne, they readily accept it. However, if heaven seems to signal a transfer of power to another, these rulers fight against this heavenly decree. From this perspective, Chinese emperors did not truly believe in the mandate of heaven. Their extreme self-esteem and selfishness led them to reshape the world to their advantage, much like Qin Shi Huang.

During the reign of Qin Shi Huang, reports of a “Heavenly Aura” in the southeast caused him significant concern. He traveled east to suppress this perceived threat, destroying places reputed to have royal auras by digging up mountains or pouring dog blood into the ground, and even renaming places with negative names. For example, he changed the name of Zhufang (Red Place) to Dantu (Red Slave), believing this would extinguish the aura of a future king. He assumed that such actions would ensure that no future ruler

could emerge from those places. Is this opposition to heaven's will a sign of a great personality or sheer arrogance and selfishness?

While the existence of the "Heavenly Aura" is debatable, Qin Shi Huang had a firm belief in it. If he did not believe in the mandate of heaven, he would not have bothered with these stories. Believing in the aura yet fighting against it seems contradictory. If heaven intended to replace him, remaining on the throne would be defying that divine mandate, highlighting the absurdity of claiming a divine right to rule.

Whether the "Heavenly Aura" would change the political landscape was not solely dependent on divine will but also on the reigning emperor. This demonstrates that even if there was a divine will, people were unwilling to accept it if it conflicted with their interests. This reveals that Chinese culture did not truly embrace submission to divine will; rather, what was called "heaven's will" was often an extension of human will, asserted through political power.

When Han Wudi fell ill, an aura watcher claimed that there was a "Heavenly Aura" in the prison of Chang'an. The panic Han Wudi issued a harsh decree: all prisoners, regardless of their crimes, were to be executed. The aura watcher's unfounded statement resulted in the death of many innocent people. Han Wudi was deeply superstitious, yet he defied what was believed to be the mandate of heaven. Instead of accepting the divine will, he sought to eliminate the "Heavenly Aura". He was unafraid of heavenly retribution, viewing it merely as a tool to intimidate others.

The concept of "heaven's will" proved to be fragile. Under imperial rule, the appearance of a "Heavenly Aura" often spelled disaster rather than fortune. This aura indicated an impending change in supreme power, but reigning emperors dismissed the divine mandate in favor of their own rule. For them, their own authority was the true manifestation of heaven's will, while any other interpretation was invalid. Thus, "heaven's will" became a convenient tool to reinforce the emperor's legitimacy and the stability of the existing order. Anyone or any place associated with a new "Heavenly Aura" would

become a target for elimination.

As a result, keeping a low profile became a survival strategy. Since a “Heavenly Aura” could easily turn into a death sentence, many sought to hide their talents and ambitions. It wasn’t just those with a “Heavenly Aura” who faced suppression; promising young men or rising leaders within smaller communities were also targeted by local rulers. Thus, maintaining a low profile to save one’s life became a common approach for ambitious individuals outside the political power structure.

Lu Xun, a distinguished general of the Wu kingdom during the Three Kingdoms period, showed great promise from a young age. His rise was due to the broad-mindedness of his boss, who supported him in spite of others’ opposition. Although Lu Xun did not possess the “Heavenly Aura” that would threaten to replace the ruler, he was still seen as a potential rival to other generals, which led to resistance and exclusion from senior military figures. Fortunately, Lu Xun succeeded and built Lucheng City in the south of the Yangtze River, a rare testament to the success of a promising talent and a symbol of the area’s outstanding individuals.

Later, a county official with geomancy skills arrived and noticed the city’s auspicious terrain. He saw a dragon vein in the undulating hills behind the city and detected an auspicious aura, predicting that a great person would emerge from there, surpassing him in status. Unhappy with this prospect, he took drastic measures: he erected three tall pillars in brick-and-stone on the hill, intending to suppress the city’s literary talents. He also built a pagoda on the dragon’s nest to prevent the dragon from rising. Still not satisfied, he further dug a narrow ditch through the city, symbolizing disembowelment to “kill” the dragon vein, thus securing his peace of mind.

Whether Lucheng City has a dragon vein is debatable, but the county official’s actions are noteworthy. Though not an emperor or a noble, he passionately sought to destroy the dragon vein. Was he loyal to the emperor? No, he feared others surpassing him, as he, too, wanted to dominate the place. The saying, “How can one allow others to snore beside their bed?” and “Can’t

tolerate sand in one's eyes," metaphorically illustrate the suppression of talents. This reflects the perilous environment for talents in China.

Han Yu once said, "It's easy to spot steeds, but hard to have a great judge of them." implying that people do not recognize talent. But if people recognize a steed yet fear others riding it and surpassing their own, the situation becomes tricky. The steeds, instead of being used to pull a cart, might end up in a stew pot. The issue is not merely unrecognized talent, but rather the deliberate suppression of the recognized talent to let mediocrity thrive. Similar to the "aura watchers" in the Qin and Han courts, who were tasked not with recommending talents but with identifying and eliminating them. This reflects a ruthless environment where it's either "you die, or I live." Thus, preventing others from rising became a deeply ingrained tradition.

The phrase "Why was Zhuge Liang born, when Zhou Yu already graced the world?" highlights the exclusivity of power and the extent to which people would go to eliminate their rivals. Zhou Yu died of frustration over failing to defeat Zhuge Liang, vividly illustrating the extremes to which the desire for exclusive control can drive someone. The idiom "One mountain cannot hold two tigers" questions whether the space is too small or the mindset too narrow. Zhuge Liang's rule in Shu eventually led to the situation where "there are no great generals left in Shu, so Liao Hua becomes the vanguard." Were there really no great generals, or Zhuge Liang could not tolerate them? Wei Yan, a capable general, was suspected of rebellion by Zhuge Liang. Wei Yan's "rebellious bone" was seen as a form of "Heavenly Aura" and a usurper of the throne. Zhuge Liang, who was known for his nightly observations of celestial phenomena, noted it and tried to get rid of him even on his deathbed. Zhuge Liang and Zhou Yu's intolerance of potential rivals reflects a deeply ingrained mindset where even the slightest threat is unbearable.

Liu Bang and Liu Bei were successful rulers who adeptly avoided the dangers associated with the Heavenly Aura. When Qin Shi Huang discovered the Heavenly Aura surrounding Liu Bang's location, the emperor set out with his troops to eliminate this perceived threat. Knowing that he was destined

for greatness, Liu Bang hid. Despite his wife noticing the five-colored aura on the mountain where he was concealed, he managed to evade Qin Shi Huang's persecution.

Liu Bei, on the other hand, had distinctive features that made it difficult for him to avoid attention: his ears reached his shoulders and his hands extended past his knees. These physical traits made him easily recognizable, especially to someone as perceptive as Cao Cao. When Cao Cao revealed his mind saying, "In the world, only the General and I are heroes," Liu Bei was so frightened that he could barely hold his cup. This incident underscores the terror of being recognized as possessing the Heavenly Aura. Thus, the life philosophy of concealing one's potential becomes crucial for personal survival.

Everyone needs to conceal the brilliance of their "Heavenly Aura," creating a situation where great wisdom appears as great foolishness. In such a world, how can one distinguish between true wisdom and true folly?

The "Heavenly Aura," which should have been a most auspicious omen, paradoxically became a harbinger of disaster. This contradiction is truly perplexing.

Fate

Fatalism, or determinism, emphasizes the inevitability of destiny, suggesting that people cannot escape their predetermined fate. But who determines this fate? People are generally unclear on this matter. In China, it is vaguely attributed to “Heaven’s will”, implying that fate is arranged by Heaven. However, the true nature of Heaven remains unknown to everyone.

Is fatalism a form of religious consciousness? It might seem so, but actually, it is not. Religion seeks to change one’s fate through faith and by appealing to God or other deities. Fatalism, on the other hand, asserts that everything is predetermined, and prayers are useless. It advocates passivity and acceptance, without belief in gods or seeking blessings from spirits.

In *Master Lü’s Spring and Autumn Annal (Lüshi Chunqiu)*, there is a story illustrating fatalism. King Kong Jia of the Xia dynasty went hunting on a windy day. He lost his way, eventually arriving at a commoner’s home where a child had just been born. Some said that the king’s presence was an auspicious sign, ensuring the child’s future prosperity. Others disagreed, predicting that the child would bring misfortune. Dismissing these predictions, Kong Jia took the child back to the palace to raise him as his own, declaring, “I will treat him as my son; who would dare harm him?” As the child grew up, one day, a gust of wind toppled a weapon rack in the palace, and an axe fell, injuring his foot and leaving him lame. Reflecting on this, Kong Jia lamented, “He is crippled; it truly is fate!” He then composed the poignant *Song of the Broken Axe*, expressing his resignation to the inscrutable nature of fate.

Belief in fate is universal, found in both Chinese and Western cultures. Greek mythology and tragedy often revolve around the inescapable nature of fate. For instance, *Oedipus Rex* is a classic example of a fate tragedy. Despite attempts to avoid it, the prophecy that Oedipus would kill his father and marry his mother ultimately comes true. European fairy tales often extend

these themes from Greek tragedies, where a newborn child is foretold to suffer harm in the future, and despite careful protection, the prophecy is always fulfilled. Even a royal child cannot escape his ill-fated destiny, similar to the story of Kong Jia,

Is the power of fate the same as the power of God? It seems not. In these fatalistic stories from both China and the West, there is little indication of an external deity guiding fate. Instead, human actions appear to follow a predetermined pattern. Who, then, is guiding these actions?

Confucius claimed that human actions are governed by Heaven. But what is Heaven? Confucius could not clearly explain, suggesting that this abstract and elusive Heaven is synonymous with fate. Thus, “Heaven’s will” and “fate” are interchangeable. Confucius said, “Heaven has endowed me with virtue,” and “Life and death are decreed by fate; wealth and honor are determined by Heaven,” implying that everything is predestined, and human effort is futile. When his students died, Confucius attributed their deaths to fate. Therefore, in Chinese thought, “Heaven” and “fate” are essentially the same concept.

Fatalistic thinking was prevalent in ancient Chinese society. The saying, “A dragon gives birth to a dragon, a phoenix gives birth to a phoenix, and a mouse’s offspring know how to dig,” reflects this belief. A rural gentry once remarked, “The children of the rich cry quoting Confucius; the children of the poor cry about carrying baskets.” This statement highlights the essence of fatalism: it serves to uphold a fixed social hierarchy. In peaceful times, this predetermined pattern operated smoothly, with each person’s fate tied to their social role. Children of merchants remained merchants, farmers’ children stayed farmers, and scholars’ children became scholars. The ancient philosopher Guan Zhong’s hereditary allocation of roles reflected society’s control over individual destiny. The established social order was portrayed as natural and unchangeable, urging everyone to accept their fate to ensure political stability.

Thus, fatalism became a tool for keeping the populace compliant, and

mythology provided the most compelling evidence for this fate. The existing social model was propagated through earnest teachings, urging people to adhere to their predestined roles as illustrated by these myths.

Whether it's a matter of coincidence or human creativity, stories of fate always captivate and resonate deeply with people. This resonance leads to two very different outcomes: one is a sense of resignation, believing that destiny is unavoidable and surrendering to fate. The creators of these myths aim to foster such believers who trust nothing but fate, leading to passivity and blind self-abandonment. The other outcome is quite the opposite; tragic fate provokes indignation, igniting the desire to rebel against it.

Beethoven exemplifies the latter. If everyone were like him, the myth of fatalism would collapse.

A voice from two thousand years ago still echoes today: "Are kings and nobles born to their status?" Chen Sheng and Wu Guang shattered the framework of predestined social order with their rebellion, a lightning bolt whose brilliance would never fade.

If people continue to accept fates imposed by others, they will inevitably end in tragedies. Although fatalists may turn suffering into acceptance, this numbness dulls life's instincts, leading to deep sorrow and pain.

The Tragicomedy of the Kitchen God

The Kitchen God is one of the oldest deities in Chinese mythology, with a presence in ancient sacrificial rituals. Legend has it that he was either transformed from the Yan Emperor or was the fire deity Zhu Rong, which granted him significant prestige. However, unlike the majestic Jade Emperor, confined to the royal altars and inaccessible to common folk, the Kitchen God was intimately connected with daily life. This made it impossible to limit the worship of the Kitchen God, so rulers eventually permitted it.

The Book of Rites: Sacrificial Rituals states: “The king established for its people seven sacrifices: for the deities for life, for the central hearth, for the state gate, for the state journey, for calamity, for the household, and for the kitchen.” The Kitchen God is listed last. Here, “its people” refers to lower-ranking officials, not major ones, who could only worship minor gods. Ordinary people could only worship one deity, either the household god or the kitchen god. The rulers demoted the Kitchen God among the lowest ranks, to be close to the common folk.

Originally, the kitchen fire was crucial to people’s daily lives, closely related to food and family lineage, which should have made the Kitchen God a major deity. Ancient legends suggest that the fire god was once the Yan Emperor, indicating the Kitchen God’s significant status. However, by the Zhou dynasty, as this deity mingled daily with the populace, he was demoted to a minor god. *The Book of Rites* notes that the seven sacrifices were not for major events, hence suitable for common worship. Furthermore, the authorities assigned the Kitchen God to monitor people’s behavior, turning him into a celestial spy. This made the common people extremely uneasy and anxious. *The Book of Rites* notes, “Minor gods reside among people, monitoring their small transgressions and reporting them.” The Kitchen God, present in every household, kept a close watch on their every move. This

created a sense of opposition between the Kitchen God and the householders, leading to conflicts between the deity and the people.

The Kitchen God became a source of anxiety, an omnipresent shadow. Though backed by heavenly power, people resented his role as a tattletale, leading to his unflattering portrayal in folklore.

Commonly, the Kitchen God is said to be surnamed Zhang, with many flaws and a lowly character, becoming a kitchen deity after his death. His stories, though varied, often share similar elements:

One version tells of a man named Zhang, who was lazy and loved gambling and drinking. His hardworking wife was frustrated with him. As the New Year approached, they had nothing for the celebration, so she sent him to her wealthy mother's home. Her mother gave him some rice and flour to take home. But she also hid some silver coins in the rice and flour, fearing Zhang would gamble it away on the way back if he knew about the money. Zhang, finding the load too heavy, gave the provisions to a beggar and returned home empty-handed. On New Year's Eve, they had only thin porridge and vegetables, with creditors knocking at their door. His wife, in a fit of rage, beat him to death. She buried him in the kitchen pit until the third day of the New Year. Later, she honored his memory by placing a tablet in the kitchen, claiming it was for the "Kitchen Lord". Others followed suit, unaware that the Kitchen Lord was once a lazy man.

Another story depicts Zhang as a wealthy merchant who abandoned his faithful wife in favor of a courtesan. The husband was away doing business for a long time. In the meantime, the wife Ding Xiang was taking care of her parents-in-law and waiting for his return. When the husband finally returned with a lot of money, he divorced Ding Xiang and married Hai Tang. After being cast out, Ding Xiang was taken in by an old woman living with her only son, whom Ding Xiang eventually married. People cursed Zhang Lang with a rhyme: "Zhang, you heartless man, left Ding Xiang for Hai Tang, your good fortune won't last long." Fortune reversed for Zhang Lang. His house eventually caught fire, killing Hai Tang and blinding Zhang. He became a

beggar and, by chance, begged at Ding Xiang's new home. She fed him, and he recognized her. Overcome with shame, Zhang threw himself into the kitchen hearth and suffocated to death. His spirit wandered until he met the Jade Emperor, who shared his surname and appointed him as the Kitchen God.

In both tales, the Kitchen God is depicted as a flawed, often pitiful character, whose divine role resulted from familial connections rather than merit.

In some southern provinces, the Kitchen God, who is often portrayed as a greedy and heartless figure, takes on a different form. Instead of a husband, he is depicted as a father. A common story tells of a wealthy man who refused to marry his beautiful daughter to a poor man, insisting on finding her a wealthy suitor. The daughter, frustrated with her father's obsession with wealth, declared she would marry even a beggar. Angered by her defiance, the father cast her out. Another version says the daughter was honest and did not flatter her father, leading to her expulsion. She married into a poor family that eventually became wealthy, while her father's household fell into ruin due to natural disasters. Forced to beg, the father unknowingly arrived at his daughter's home. She recognized him and hid silver coins in a rice bun for him, but he disliked the bun and traded it for other food. When he returned, she asked about the coins, and realizing his mistake, he was overwhelmed with shame and threw himself into the kitchen fire, becoming the Kitchen God.

Another version of the Kitchen God's origin involves the emperor's chef. Rewarded for his service, the chef was appointed as a local official. However, he abused his power by demanding food and drink from the villagers. One day, a man named Zhang Dabazhang, or Big Slap Zhang, fed up with the official's behavior, slapped him so hard that he was stuck to the kitchen wall, becoming the Kitchen God. In other versions, the greedy official is a local magistrate or even the emperor himself, always depicted as a corrupt official who exploits the people.

Though there are some stories where the Kitchen God is portrayed

positively, these are rare. The prevalent image is of a lazy, greedy, and unscrupulous Zhang Lang who somehow becomes the Kitchen God, overseeing every household's actions. His appointment is often explained by his shared surname with the Jade Emperor, highlighting the nepotism and corruption in the divine order, causing people to lose faith in gods. Despite his flaws, the Kitchen God is feared, as he can report misdeeds to the Jade Emperor, leading to severe punishment. Thus, people are forced to carefully worship this troublesome deity, adding to their misery.

Enduring the tyranny of a despot for so long inflicted real damage on the people's spirits. Their pain came not only from humiliation but from the despair of realizing they were powerless to change anything. This despair eventually turned into numbness, deeply eroding their morale. If the Kitchen God, despite his bad behavior, could still serve as a celestial overseer, why would anyone care about integrity? Without fairness in the divine realm, how could there be justice on earth? A mood of cynicism and hypocrisy spread. People's mockery of the Kitchen God became more an act of self-deception than rebellion, fostering a corrupt culture of mutual deceit between rulers and the ruled.

Nearly every story about the Kitchen God includes the ritual of sending him off to heaven on the 23rd day of the 12th lunar month. Here's a typical account:

The Kitchen God is said to be sent by the Jade Emperor to monitor the people. He notes down all household activities and reports to the Jade Emperor on the 23rd day of the 12th lunar month. The Jade Emperor then decides which families will be rewarded or punished based on the Kitchen God's report. If he speaks well of a household, the next year everything will go smoothly with the household; if he speaks ill, the household will face misfortune and constant difficulties. After all, who doesn't want peace and good fortune for their family? Consequently, people become afraid of the Kitchen God despite his low rank and take great care to please him. They burn incense, light candles,

and offer fruits and sweets to ensure he speaks favorably of them. On the 30th day of the month, they welcome him back with similar offerings, hoping to curry his favor for the coming year. Even so, people still fear he might speak ill of them. Why? Many things happen to a family in a year; could the Kitchen God remember them all? If he couldn't, he might make things up. If a wealthy family treated him well with good food, he would speak favorably of them. But if a poor family offered less, it would find faults to report. One story tells of a poor family that could only offer sticky maltose candy. The family hoped the sticky candy would seal the Kitchen God's mouth, preventing him from reporting bad things. The gluttonous Kitchen God took a big bite of the candy, only to get his lips glued together. Unable to open his mouth, he could only remain silent before the Jade Emperor, resulting in a prosperous year for the family.

Since then, people have followed this practice, offering sticky maltose candy to the Kitchen God annually.

This story was collected in Sichuan, but it captures the essence of the tradition of sending off the Kitchen God, a central aspect of the Kitchen God mythology. People hope the Kitchen God will “report good things to Heaven and bring peace to the world,” or simply remain silent. This isn't just because they fear the Kitchen God might fabricate lies. In reality, people are also afraid of being punished by the Jade Emperor for their own mistakes. By fooling the Kitchen God to avoid deserved punishment, should people not also feel ashamed for their actions? The following legend also reflects this mindset:

There was a mother-in-law who feared that the Kitchen God would report her mistreatment of her daughter-in-law to the Jade Emperor. So, she had an idea. On the day of sending off the Kitchen God, she offered him wontons and arrowhead root. The wontons would make him muddled and confused, while the arrowhead root would make him say “loving mother-in-law” repeatedly (as the two pairs of words are similar in pronunciation in Chinese). Not only did she burn

paper money for him, but she also used maltose to glue his mouth to prevent him from speaking the truth before the Jade Emperor. From then on, everyone followed her example when sending off the Kitchen God. Over the years, this practice became a tradition.

Devising ways to evade punishment for one's own wrongdoings shows that the custom of worshipping the Kitchen God is fundamentally corrupt. It not only desecrates Heaven but also taints human souls.

The issue isn't just about the Kitchen God's morality but the deceit inherent in the ritual itself. This behavior damages integrity, fostering a culture of deception and cunning. Such actions often go uncriticized and are widely imitated, becoming a societal norm—a blemish in an otherwise advanced society.

Worshipping the Kitchen God holds a significant place in Chinese New Year traditions, marking the start of the festivities and reaching its peak on the eve of the Lunar New Year. The Chinese Lunar New Year, central among all festivals, begins with this act of deception. What kind of moral lesson does this give? It even entangles the kind-hearted people in a tide of deceit, making them complicit. So, who is responsible for this degradation of social values?

Analyzing the myth of the Kitchen God reveals that this cunning behavior is a necessity born out of desperation. The people's pleas cannot directly reach the Jade Emperor but must pass through the Kitchen God. Having no direct channel to express their true feelings underscores the core issue of monopolized divine authority. Common folk have no right to directly address the supreme deities and have only the Kitchen God as their intermediary, making their fate dependent on his reports. When people's prayers go unanswered, they blame the Kitchen God for obstructing their pleas. Despite his noble origins, the Kitchen God, demoted and maligned, faces the people's anger and mockery. He is the only deity they have direct contact with, but his role is merely to relay messages, not to grant blessings or punishments directly. Hence, he cannot earn their sincere worship, and all misfortune seems to stem from his reports, making him a target of resentment.

This antagonism reflects deep social tensions. The people didn't enjoy equal rights under religious oppression; the elite could directly communicate with the deities, but often, they were corrupt and went unpunished for their misdeeds. Why should the minor faults of the common people be severely punished? This inequity drove the populace to cheat and evade divine retribution, leading to a culture of mutual deceit and insincerity over time. "Reporting only the good news" became the norm, creating an illusion of prosperity and reflecting the corrupt practices of society.

The popular belief in the Kitchen God is an imitation of the rulers' deceptive political myths. Even though they know it is not honorable, people still engage in it enthusiastically. In our culture, people often deal with evil forces in order to avoid harm and disasters, prioritizing self-protection over fighting for the truth. They may harbor deep resentment towards the rulers, but they often choose to compromise, using "clever" tactics to navigate the situation. Consequently, they adopt many of the rulers' bad habits. As the saying goes, "When the upper beam is not straight, the lower beam is crooked." An evil social trend is primarily cultivated by the rulers. Whether it is corruption or deceit, the authorities cannot shirk their responsibility. They are always the pioneers of these behaviors, which then spread throughout society. However, the public's silent resentment, their willingness to compromise, and even their imitation of these behaviors, contribute to the spread of corruption. If the public were more principled and intolerant of corruption, such behavior would not flourish. Where people are willing to stand up against injustice, tyrants cannot run rampant. A populace that turns a blind eye to evil or secretly imitates it enables the misconduct of rulers to thrive unchecked. The belief in the Kitchen God reinforces this corrupt atmosphere, making it easier for those in power to maintain their control.

Why do rulers tacitly approve of this act of deceit against the gods? Throughout history, rulers have issued numerous strict edicts to ban "excessive worship," yet there were no prohibitions against placing malt sugar in the Kitchen God's mouth. Supposedly, the only deity that the rulers allowed to

be publicly worshipped freely is the Kitchen God. Although they were aware of the people's blatant cheating and deceit, the authorities still turned a blind eye. The reason is simple: those who resort to such petty tricks to get by will never become noble leaders; they remain petty individuals who pose no threat. The belief in the Kitchen God ultimately nurtures a petty-minded character, the only outcome of the faith. People initially just want to fool the gods, but instead, they fall into the trap of the rulers' policy to keep them ignorant. This bitter consequence is swallowed with a sense of sweetness, only to reveal its sourness upon reflection, bringing tears to one's eyes.

It is indeed impossible to give a full account of the complex belief in the Kitchen God.

The Kitchen God and Dreams of Wealth

Since the Kitchen God is a state-approved deity and not considered an “illicit” spirit, he is included in the official pantheon. Over time, the Kitchen God has accumulated a wealth of cultural significance, and many popular values and beliefs are embedded in his myths.

People often pray to gods for wealth. The Kitchen God, besides his role as a celestial informant, is also believed to bestow financial blessings, making him a quasi-god of wealth. In the myths surrounding the Kitchen God, themes of poverty, wealth, and money are prominent.

The mythology of the Kitchen God is essentially crafted by the poor, which makes tales of rags to riches particularly alluring. However, the reality is that very few poor people become wealthy. Most people, despite their fervent hopes, understand that they are unlikely to achieve great wealth. This awareness leads to a conflicted attitude toward wealth: while they yearn to be rich, they also criticize and curse the wealthy, wishing them to experience poverty. The Kitchen God’s shifting status between poverty and wealth in various legends mirrors this ambivalence.

One story tells of the Zhang family, once wealthy with vast assets. Their son, Zhang Lang, was lazy and indulgent. He fell in love with a courtesan and decided to divorce his wife. Soon, the family’s fortune quickly vanished, whether through Zhang Lang’s reckless lifestyle or a series of misfortunes like natural disasters, fires, or legal troubles. Eventually, they were left penniless, and the second wife either died or married someone else. Zhang Lang ended up as a beggar. This tale serves as a warning to the immoral wealthy, suggesting that those without virtue are doomed to fail. It also reflects societal expectations that the wealthy should act as moral exemplars, responsible for fostering a good social ethos. If they fail in this duty, they deserve to lose their wealth. Stories like this, passed down through generations, don’t aim to attack

or demean wealth; rather, they elevate the status of the wealthy while imposing moral obligations to regulate their behavior.

Another version portrays Zhang Lang as initially poor. After marrying, he left home to seek fortune, leaving his wife to manage the household. Years later, he returned wealthy but dismissed his wife for another woman. This story indicates that one must venture beyond the confines of their home to gain wealth, challenging the norms of small-scale agricultural society. However, the tale also suggests that such ventures often lead to moral corruption, as seen in Zhang Lang deserting his wife upon his return. The fire god Zhu Rong is transformed into the rebellious Kitchen God, breaking away from the small-scale agricultural economy. It reflects that most people prefer the traditional, stay-at-home lifestyle.

People's disdain for wealthy individuals stems partly from their deviation from social norms by seeking fortune elsewhere. More importantly, it reflects a reaction against their unethical behavior, flaunting wealth and oppressing others. Such conduct was not unique to Zhang Lang but prevalent in society, highlighting a lack of moral standards for the wealthy. They frequently colluded with bureaucratic powers, enjoying privileges and becoming oppressors. People curse these wealthy individuals with disasters in stories, hoping for their downfall. However, these tales only offer a psychological solace for the poor, instead of real solutions. Although such narratives might exert some social pressure on unethical behaviors, they do not improve the dire situation of the impoverished.

Who can blame the poor for dreaming of wealth? While everyone should avoid unscrupulous actions like Zhang's, the story of the Kitchen God reflects the poor's dream of getting rich.

Ding Xiang (with various names in different regions), the former wife of the Kitchen God, is undoubtedly a character who has been humiliated and wronged. When she was kicked out by Zhang, she left with a bit of silver and set out aimlessly, riding a horse (or a donkey or a cow, depending on the version). Tearfully, she told the animal, "Wherever you stop, that will be my

home, and I'll marry there." Resigned to her fate, Ding Xiang let the animal lead her. It stopped in front of a stone cave (or a dilapidated cottage), and she entered to find a widow and her son living there. Determined, she asked to marry the widow's son, who was an ugly, scabby, and hunchbacked ferryman. She gave him some silver to buy wine and a chicken for their wedding meal. Not recognizing the silver, the ferryman said, "Can these pebbles be used for wine? If they were worth anything, our cave would be full of money." Curious, Ding Xiang looked around and indeed found the cave filled with silver.

The ferryman bought a chicken, and as Ding Xiang prepared the meal, a large poisonous centipede fell into the pot, rendering the food inedible. She told the ferryman to dispose of it, but he secretly ate it in the outhouse. When Ding Xiang found out, she cried, thinking she'd be a widow again. The ferryman indeed fell ill, writhing on the floor until he suddenly transformed into a handsome young man, cured of his ailments. They married and used the silver to build a large house and buy land, rising from poverty to wealth.

After her divorce, Ding Xiang became wealthy, often through unexpected means. In some stories, her fortune came from silver hidden in a cave wall. The transformation from poverty to wealth was always dramatic, like the time when Ding Xiang bought a haunted house. After settling with a widow and her son, she wanted to buy a home. The widow mentioned her uncle had three vacant rooms, but they were haunted. Undeterred, Ding Xiang decided to purchase them. One night, she saw two figures in red and two in white emerging from the corners of the house. They greeted her, saying, "Our master, you have finally arrived. We've been guarding this treasure for years, and now it's yours to manage." With that, they vanished. The next morning, Ding Xiang discovered two vats of gold and two vats of silver in the corners of the house. From that day on, the three of them lived a prosperous life.

Some versions of the story say that after Ding Xiang remarried, she discovered a vat of silver while farming. Other versions claim she married a woodcutter who found gold bricks in the forest, which he didn't recognize as valuable. When Ding Xiang saw the gold, they became wealthy.

This sudden wealth is a prominent feature in Kitchen God stories, with the fantasy elements often more pronounced than Zhang Lang's sudden downfall. In real life, a woman like Ding Xiang, abandoned and remarried into a poor family, wouldn't become rich through traditional means. Her only path to riches was through dreams and fantasies. Some stories portray Ding Xiang and her new husband improving their lives through hard work, but these aren't as exhilarating as finding vats of silver or gold bricks. Poor people could only experience the joy of sudden wealth in these fantasies. Such stories, filled with sudden discoveries of wealth, were clearly not about the rich, who already had plenty. These stories highlight the deep-seated sorrow of the poor, embodying the "laughter of the downtrodden."

For the impoverished, dreaming of wealth was their only escape, which is pathetic. Similarly, imagining the rich suddenly losing their fortune was also wishful thinking or a fantasy, since not all wealthy people faced such dramatic downfalls as Zhang Lang. The fact that the wicked were only punished in the tales reveals that people were powerless against the oppressors. Similarly, fantasizing about wealth shows a sense of inaction that borders on laziness.

Folk myths and stories are rich in content. They offer wisdom by criticizing evil and praising virtue, but they also reflect human flaws such as cowardice and laziness. While indulging in fantasies might provide temporary solace in a society with significant class divisions, it can also lead to numbness and detachment from reality. Excessive fantasizing may offer a fleeting sense of stability, but it can also erode one's drive, reducing individuals to mere dreamers.

The Allure of Charming Spirits

In Chinese folklore, the concept of spirits and supernatural beings often evokes a mixed feeling. While spirits are known to cause harm and terror, their depiction isn't entirely negative. The term “妖精”(yāo jīng), or spirit, carries both a sense of admiration and fear. “精”(jīng) suggests something exceptional and outstanding, akin to terms like “灵”(líng, or bright)、英(yīng, or outstanding)、秀(xiù, or beautiful) and 杰(jiē, or elite)”, indicating exceptional qualities. The word “妖”(yāo), meaning bewitching or enchanting, is used to describe captivating beauty and often used to describe beautiful landscapes, with no negative sense. Thus, referring to the most terrifying and malevolent beings with terms denoting extreme beauty and excellence suggests that their terror also holds a certain allure.

People, especially men, often refer to their most beloved women as “little spirits”, a term devoid of any desire to exterminate them. Instead, it reflects affection and intimacy. This duality shows that, besides fear and loathing, there is also a fascination and admiration for spirits.

Of course, people don't like spirits such as the Bull Demon King or the Red Boy, who are hideous and brutal. Only powerful beings like Guanyin and other deities can tame and make use of them, while ordinary people tend to avoid them like a plague. Therefore, the spirits people are fond of are the ones soft and charming.

The charm of spirits lies in their allure, which is why the word “妖媚”(yāo mèi) combines the meanings of enchantment and beauty. Spirits can either directly attack and consume people or transform into attractive beings to seduce their victims. The greatest power of spirits is their ability to change forms, often into beautiful women to entice men, but they can also become handsome youths to allure women. For example, a handsome fox spirit once seduced a beautiful woman from the family of Zhangsun Wuji, a high-ranking

official in the Tang dynasty. The ensnared individuals usually willingly fall into these traps, implying that people are often captivated by spirits' charms of their own will, so the spirits shouldn't be held accountable for their downfall.

This recurring theme in Chinese mythology, where spirits seduce and then harm humans, serves as a warning: not all villains are monstrous in appearance; some hide among us like wolves in sheep's clothing. This narrative offers valuable humanistic insight, advising vigilance against hidden dangers.

Su Daji, the infamous fox spirit, brought ruin to the Shang dynasty, yet King Zhou remained oblivious until his death. This story may reinforce the idea that "women are the root causes for the national ruins," but its underlying message is clear: stay alert and don't be swayed by appearances or seduced by beauty. Unfortunately, people often refuse to recognize the dangers of such enchantments, preferring to see spirits as benevolent rather than acknowledging their potentially dangerous allure. This isn't a rebellion against the notion of "women causing ruin," but rather a testament to human weakness and vulnerability to temptation.

The irresistible charm of spirits is vividly depicted in *Investiture of the Gods*. Despite everyone knowing Daji was a malevolent spirit responsible for countless atrocities, men still found her bewitching. When Jiang Ziya captured the three spirits—a pheasant, a pipa spirit, and a fox spirit—he ordered Lei Zhenzi, Yang Ji, and Wei Hu to execute them. The pheasant and pipa spirits were immediately executed, but Lei Zhenzi hesitated before the fox spirit, Daji, who managed to beguile several soldiers into losing their lives.

The book describes: "Daji, bound outside the commander's tent, knelt in the dust like a flawless jade, a bewitching flower about to speak. Her face glowed with morning light, her lips like shattered jade, her green hair in loose waves, her rosy cheeks enchanting. She looked at the soldiers with infinite affection, sang sweetly, and pleaded: 'I am innocent and wronged. Grant me a brief respite, and it will be like building a seven-tiered pagoda of merit!' The soldiers, enchanted by her beauty and soft words, felt their bones turn to jelly and their minds go blank. They became weak and helpless, unable to move."

Because of their infatuation, the soldiers were executed by Jiang Ziya, and Lei Zhenzi was dismissed. Still, none could kill Daji; they turned into statues, helpless to wield their swords. Jiang Ziya had to personally perform the ritual to behead Daji.

This passage highlights the powerful allure of female beauty and the inherent weakness of human nature. Despite Daji's monstrous deeds, her heavenly beauty made it hard for men to harm her. Yet, while her appearance may tempt, one must still hesitate before embracing such danger.

The epics of ancient Greece also tell famous stories of wars launched for the sake of women. They launched a long, costly war over Helen, and the Trojans were even willing to sacrifice the nation for her. However, the Trojans were not doomed to perish; their struggle for a woman and their determination to settle scores exemplified the indomitable human spirit. In the story, Helen was innocent, and those who sacrificed themselves for her did so out of admiration and love for her.

The battle of King Wu against King Zhou and the Spartan expedition to Troy actually have much in common. Both wars were waged against rulers who were bewitched by beautiful women. However, while King Zhou was captivated by a monster in disguise, Helen, though bringing ruin to Troy like a sorceress, was different from Daji. Helen was the embodiment of beauty, whereas Daji symbolized evil, despite their similarly enchanting appearances.

From another perspective, King Wu's campaign against King Zhou is a battle between justice and evil. In contrast, the Spartans' war against Troy is for a woman, and the epic portrays Paris, the prince of Troy, with evil traits, even though he is not as malevolent as King Zhou. After closer examination, the Spartan expedition and sacrifices seem unjustified, as the mission doesn't reflect the typical Western spirit, whereas Odysseus's journey home, particularly his encounter with the Sirens, showcases extraordinary reason and wisdom.

Sirens, half-human, half-bird creatures, like the seductive fox spirits in Chinese folklore, were particularly bewitching, especially with their singing.

Any man who heard their song couldn't resist staying on their island, leading to his demise. Odysseus, despite his fondness for beauty, refused to gamble with his life. The Sirens "bewitch all men who come near them. Anyone who approaches to listen to their sweet song never returns home to enjoy his wife and children; the Sirens seduce him with their melodious singing, sitting in a meadow surrounded by heaps of decaying corpses and dried human skins." The sirens were terrifying, yet their singing was enchanting. Then what was Odysseus supposed to do? In order to hear them singing, he plugged his crew's ears with bee wax and had himself tied to the mast, which allowed him to enjoy the Sirens' enchanting song without being lured to stay on the island forever. The rational restraint saved him while allowing him to satisfy his curiosity.

Love women, but not monsters—that's Odysseus.

In Chinese mythology, many stories warn people to see through the disguises of charming spirits and recognize their true nature, avoiding being deceived by their appearances. Examples include the *Journey to the West* and the *Investiture of the Gods*. These stories are not feudal relics that vilify women but allegories about the truths of the world. However, there are also numerous stories in Chinese mythology that promote loving charming spirits, portraying them as kind-hearted. These stories are not about advocating humanity or universal love; they are projections of men's lustful nature in mythical tales.

If charming spirits are harmful and men still seek them out, it implies that men are foolish, which men are reluctant to admit. Men are most unwilling to hear stories where they are enchanted by charming spirits, get involved with them, and are ultimately eaten or killed. Instead, many men fantasize about sleeping with charming spirits who are harmless and kind. This enchanting fantasy is so alluring that the character of the demons' nature improves, catering to men's sexual desires.

In stories where men interact with good spirits, men are not depicted as foolish; instead, engaging with spirits is seen as an elegant and romantic act, making a striking and attractive scenario. This is why the portrayal

of charming spirits in Chinese mythology has evolved to become more benevolent over time. People do not expect a beautiful exterior to have an evil heart, which is a kind-hearted desire. However, making spirits benevolent is not always driven by kind intentions; there is an element of malice in it. Beautiful yet vicious spirits are unattainable, like sour grapes. Only by making them gentle and kind can men hope to possess them. This desire to possess beauty leads to the transformation of spirits into kind beings.

This shift stems from inner cowardice; lacking the strength and discernment of Sun Wukong, the Monkey King, to confront demonic spirits, they instead imagine these spirits as non-threatening. This is a classic case of self-deception, where they hope to overcome their fear by altering the nature of the threat in their minds.

For consistency, it's best to use the past tense when recounting stories or analyzing literary works. This helps maintain a coherent narrative flow, especially when discussing events or actions that have already occurred.

What's even more lamentable is that those who encountered good charming spirits and experienced romantic fortune were mainly poor scholars. These scholars were often powerless, spoke in flowery language, and had empty pockets. However, with the help of charming spirits, they could obtain beautiful wives. For example, Xu Xian was too poor to propose to Bai Suzhen. When Bai Suzhen expressed her feelings first, Xu Xian still hesitated, citing his financial difficulties. Unexpectedly, Bai Suzhen immediately offered him fifty taels of silver. Later, all household expenses were covered by Bai Suzhen, and even the funds to open a pharmacy came from her. This was truly a case of gaining both romance and wealth—who wouldn't be happy with that? Hence, charming spirits became increasingly popular, turning into the most beautiful illusions.

When we look at *Strange Stories from a Chinese Studio* by Pu Songling, we find that these charming spirits, especially fox spirits, often visited scholars studying late at night. They fell in love and became inseparable. These fox spirits not only loved the scholars themselves but also introduced other fox

spirits to share the scholars' beds. In *The Fourth Fox Sister*, it was the third fox sister who fell in love with the scholar Shang. They became deeply in love and spent almost every night together. Shang knew she was a fox spirit but did not mind. One night, the third fox sister said, "You cherish me despite my humble appearance; if you saw my younger sister, you would be even more enchanted." She then brought her younger sister. The fourth fox sister had just come of age, as fresh as a lotus in dew, as radiant as apricot blossoms in mist, smiling sweetly with unmatched charm. Shang was ecstatic, and the elder sister left them together, saying, "My sister will stay with you for a while." The younger sister also revealed herself to be a fox spirit, but Shang remained unbothered.

It seems that these beautiful spirits are not frightening because people have "tamed" them with their fantasies. Later, Shang secretly got involved with another fox spirit behind the backs of the two sisters. When they found out, the younger sister was furious and wanted to leave, but the elder sister persuaded her to stay, and they reconciled. When a demon catcher captured the younger sister in a bottle, Shang could not bear to see her harmed and released her. The younger sister later became immortal but remained strongly attached to Shang.

Pu Songling vividly described these beautiful stories of fox spirits, making the *Strange Stories from a Chinese Studio* one of the most beloved novels. Many men, after reading these tales, lament, "Humans are worse than foxes!" Foxes are portrayed as beautiful and kind. They understand love and never despise poverty. Most endearingly, foxes fall in love with poor scholars, which naturally delights readers. Many of these stories are celebrated as classics, such as the *Lotus Fragrance*, which is widely loved.

The story is about Sang Sheng and the fox spirit Lotus Fragrance who he fell in love with. A ghost named Li Shi became involved, leading to nightly encounters and relentless passion. Sang Sheng exhausted himself and was dying. Initially, Lotus Fragrance deeply loved and cherished Sang Sheng, advising him to stay away from Li Shi and go into the mountains to gather

herbs for three months. When she captured Li Shi, she reproached her for harming Sang Sheng. Li Shi, moved, pled with Lotus Fragrance to heal Sang Sheng. Finding Li Shi beautiful, Lotus Fragrance decided to keep her to help care for Sang Sheng. After Sang Sheng recovered, Lotus Fragrance left Li Shi to share a bed with Sang Sheng, but Li Shi refused. Later, Li Shi possessed the body of a woman named Zhang Yan and married Sang Sheng. After giving birth to a child, Lotus Fragrance died, promising to see Sang Sheng again in ten years. Fourteen years later, an old woman sold a girl who looked just like Lotus Fragrance, and Zhang Yan bought her. The girl awoke and realized she was the reincarnation of Lotus Fragrance. Both the fox and the ghost returned to serve Sang Sheng, who was considered extremely fortunate.

If these stories contain any sense of resentment, it likely stems from a lament about the instability of human relationships and the harshness of social reality. Wang Ruanting praised Lotus Fragrance, remarking, “Lotus Fragrance is truly admirable! Such devoted women are rare among humans, let alone among foxes!” This praise reveals a longing for women like Lotus Fragrance, who dutifully serve men. Even poor men, who often struggle with the harsh realities of life, dream of having more than one wife, imagining a household filled with beautiful women living in harmony. Lotus Fragrance not only cared diligently for Sang Sheng but also willingly accepted Li Shi, ensuring that the poor scholar had both a wife and a concubine. This idealized scenario echoes Mencius’ mockery of the Qi man who managed to have a wife and a concubine living harmoniously. In this way, the fantasy of charming spirits is less about critiquing reality and more about an escapist dream of control and fulfillment.

Stories of charming spirits also reflect male dominance in sexuality. Spirits seduce men with beauty, and they can also transform into handsome young men to lure women. In these stories, interactions between scholars and female spirits are considered romantic and beautiful, whereas women being seduced by male spirits are seen as highly inauspicious. If a spirit who loves a man is harmed, people often react with indignation. For example, monk Fahai

commits no crime in subduing spirits. Yet, folk stories constantly vilify him, saying he ends up in a crab's belly, a pitiful and shameful end.

Why does Monk Fahai suffer such great humiliation? Primarily, it is because he shatters people's beautiful dreams. People are content with superficial pleasures, unwilling to seek the truth, or they pursue momentary pleasure regardless of the consequences. Fahai, being clear-headed, does not believe in the existence of good spirits. He sees so-called good spirits as fabrications of the weak-willed, who are infatuated with superficial beauty. This type of story, widely circulated and accepted by the masses, leads to Fahai being vilified for his actions. People believe that the world is less enchanting without beautiful and kind female spirits, because Fahai has sealed them under Leifeng Pagoda. Fahai is not a representative of feudal forces but the embodiment of justice. His persecution indicates the absence of righteousness. Ultimately, Fahai's tragedy results from people's obsession with good spirits and their reluctance to face reality, and they get angry when the illusions are shattered.

When it comes to male spirits, capturing them is seen as a great service to society, as it eliminates a potential threat. If a male fox spirit enchants a woman, its fate is particularly grim, as these spirits are always seen as dangerous. In the spirit world, there's a distinct hierarchy: female spirits are revered, while male demons are despised. This almost absurd contrast stands in sharp opposition to the male dominance in the human world. Men are free to claim any woman they desire, even benevolent female spirits, while women are expected to stay loyal to a single partner. Any male spirit a woman encounters is automatically deemed wicked and must be destroyed without exception.

This cultural phenomenon leaves us pondering: why are men exceedingly cruel to male spirits yet exceedingly affectionate toward female ones? Is this due to the natural law of like repelling like, or is it a manifestation of men's excessive dominance?

According to *The Great Book of Marvels*, it is said that a fox spirit came to the house of Tang Chancellor Zhangsun Wuji and possessed his concubine.

This celestial fox had great magical powers. The sorcerer Cui Canjun summoned a divine general to capture the fox. Zhangsun Wuji, furious, slashed at it with a long sword, but the fox remained unharmed. Cui Canjun then struck the fox with a peach branch, causing it to bleed profusely. Wuji, still not satisfied, regretted not having inflicted more harm and wanted to kill the fox spirit. However, as it was a celestial fox, Cui Canjun commanded it never to return to the Chancellor's house and spared its life. After the fox flew away, the concubine recovered from her illness.

The fate of male fox spirits is often depicted as tragic. *The Great Book of Marvels* also records that in the Hebei region, fox spirits were known to steal beautiful women. Once, when discovered, hundreds of old and young foxes were killed. This was celebrated in the story as a gratifying event, starkly different from tales where female fox spirits and noblemen ended up together. The underlying reason is that men did not tolerate other beings interfering with women though they themselves pursued female spirits, which reveals the immense greed of men.

Pu Songling, renowned for his stories about fox spirits, also depicted male fox spirits unfavorably. In *The Tale of Jia'er*, a merchant from Chu left home for business, and his wife dreamed of being intimate with someone, only to wake up and find a small man beside her. Realizing it was a fox spirit, she invited an old woman and her son to stay with her for protection. However, the fox spirit continued to visit, making the woman dismiss the old woman and the son. Whenever the son heard his mother laughing, he got up to light a lamp, which made her very angry. The son then took a knife to keep watch at night, and when he heard his mother sleep-talking, he lighted the lamp and found a fox. He attacked it, cutting off its tail. Following the blood trail, they discovered the fox's den in a garden the next day. The fox never returned, but the woman cursed her husband upon his return and refused to sleep with him. The son then devised a plan to poison the male fox, bringing peace to the household although at the cost of the mother's death. The son later became a skilled archer and rose to a high military rank. This story portrays the son

as a hero, cleverly tricking the fox into drinking the poisonous alcohol and exacting revenge, expressing Pu Songling's disdain for infidelity. Male fox spirits, like rats, are universally reviled.

The tendency to punish male spirits while romanticizing female spirits reveals deep-seated weaknesses in a male-dominated culture: selfishness, greed, escapism, and the use of illusions to preserve pride. As a result, many actions that seem virtuous are tainted with underlying evil, and those that appear just often conceal selfish motives.

Scholars' Fascination with Spirits

Apart from rulers, scholars have a particular penchant for spirits and deities. Their interest differs from that of those in power, who use it to deceive, and from that of common folk, who seek blessings or curses. Where does this unique fascination originate?

Confucius is known for being refrained from discussing gods, ghosts, strength, and chaos, but this is a misrepresentation by his disciples. In reality, he has a keen interest in the supernatural. For instance, when a large bone was unearthed, he identified it as belonging to Fangfeng, a giant slain by Yu the Great, whose single bone could fill a cart. When people were telling myths, Confucius enjoyed interpreting them, offering unique explanations that, while not always accurate, demonstrated a distinctive perspective. For example, regarding the one-legged Kui, Confucius suggested that Kui was remarkable not because he had one leg but because he was very unique. Similarly, when it was said that the Yellow Emperor had four faces, Confucius explained that this meant he appointed four capable men to govern the four directions, thus being metaphorically four-faced.

Confucius's approach to myths was somewhat akin to the 19th-century linguistic school, which viewed myths as linguistic distortions. Confucius believed in gods but didn't accept myths blindly. Sometimes he pretended to be ignorant; other times, he would engage in discussions about spirits to show his erudition. The enigmatic nature of myths provided a fertile ground for scholars, whose fascination with spirits often stemmed from a desire to show off their learning.

Many mythological works were written with this intent. For example, the Jin dynasty scholar Zhang Hua's *Records of Diverse Matters* (*Bowuzhi*) and Wang Jia's *Record of Heretofore Lost Works* (*Shiyi Ji*) aimed to supplement ancient texts like *The Classic of Mountains and Seas* and *Erya* by documenting

obscure and bizarre tales. Some of these myths originated from folklore, but many were creations of the scholars themselves, showcasing their erudition. As a result, the creation of certain myths became an intellectual pursuit for literati. While these works enriched the mythological heritage, their impact on popular culture was limited. Their stories were often too brief and convoluted to be memorable, and thus didn't significantly influence folk traditions.

Scholars would frequently present these works to the emperor. While some sought to promote cultural endeavors, many went after fame and rewards. Seeking official positions with supernatural tales is an absurd notion indeed.

During the Qin and Han dynasties, many scholars were a mix of Confucian thinkers and practitioners of the occult. The most influential myths of that era were not those passed down among the common folk, but rather those popular within the courts and among occultists. Why didn't a mainstream mythology emerge among the general populace? This was largely due to the fact that the Qin and Han dynasties were formed by unifying the many feudal states from the Spring and Autumn and Warring States periods, each with its own distinct culture, making complete integration difficult. Furthermore, the rise of a small-scale peasant economy led to cultural isolation, limiting the spread of mythology. As a result, the creation of mainstream myths was left to scholars, who crafted them in line with the rulers' intentions, rather than emerging from the populace.

During the Qin and Han dynasties, emperors were obsessed with immortality and hoped to rule the world forever. Scholars and occultists eagerly displayed their skills in supernatural studies to please the emperors. Qin Shi Huang and Emperor Wu of Han, in particular, were surrounded by such individuals, leading to the creation of numerous myths about immortal mountains, celestial palaces, and legendary immortals. The scholars of this period, often at the forefront of the quest for immortality, were among the least reputable figures in Chinese history.

These "rustic" emperors, unfamiliar with ancient rites and customs,

relied heavily on scholars who used grandiose theories of ghosts and gods to gain emperors' favor and secure positions in court. When Qin Shi Huang wanted to perform the Feng and Shan sacrifices but was unsure of the proper rituals, scholars each proposed their interpretations, creating confusion. Feng and Shan sacrifices were originally mythological concepts, and the scholars' differing opinions left Qin Shi Huang bewildered. Jia Yi, one of the most learned individuals of early Han, kept Emperor Wen up late into the night with his lengthy and enthusiastic discussions on ghosts and gods. Dong Zhongshu's embrace of myth endeared him to Emperor Wu of Han, while Liu Xin used the myth of Five Virtues to legitimize the usurper Wang Mang, contributing to the fall of the Western Han dynasty.

These scholars masked their true intentions of seeking official positions and wealth with their obsession with ghosts and gods. By crafting myths to please the rulers, they created a market for supernatural stories. They recognized that the emperors relied on supernatural elements to legitimize their rule and deceive the people. Consequently, these scholars produced the desired myths, reinforcing the perception that they enjoyed manipulating supernatural themes.

However, not all scholars with a fascination for ghosts and gods were morally corrupt. Many used these myths to express their emotions and aspirations, demonstrating a higher level of engagement than those merely seeking personal gain. These individuals, while also interested in supernatural elements, were more concerned with conveying deeper philosophical or emotional truths, showing that the realm of ghosts and gods could also serve as a medium for profound human expression.

Qu Yuan is one of the earliest writers to depict a world of gods and spirits. His works would not exist without mythology. Whether in *Nine Songs*, *Heavenly Questions*, *Summoning of the Soul*, or *On Encountering Sorrow*, myths are the soul of his poetry. In Qu Yuan's poems, the mythical world is a projection of the real world, merely adorned with divine elements, a mirror of reality. For instance, the God of Gatekeeping resembles a treacherous

sympathant in the real world who suppresses virtuous people. The emperor residing in the heavenly palace is like a muddle-headed earthly king, incapable of distinguishing good from bad, making the divine world as upside-down as the real one. *Nine Songs* reflect the sorrow of unfulfilled love in gods, mirroring Qu Yuan's political failures. The deities in Qu Yuan's works are grounded in reality and shaped by his personal experiences, serving as vessels for expressing his grief and anger. This type of myth had a profound influence on later works because many people could relate to Qu Yuan's struggles.

His myths reflect a harsh reality, and the writers who created them often found themselves in desperate, destructive situations. In their time, society was corrupt, and individuals were too powerless to resist. With no justice to turn to and no means to combat the corruption, they refused to compromise or conform, which ultimately led to their tragic fates. Labeling Qu Yuan as a romanticist seems misguided—he was deeply engaged with the harsh realities of his era. His ideals were focused on practical reforms, like improving governance and promoting capable individuals. His only goal was to transform the chaotic world he saw around him. Qu Yuan's divine realm wasn't a utopia or an idyllic paradise; he remained rooted in the principles of realism. His myths were full of blood and tears, reflecting his profound sorrow. Through these myths, we catch a glimpse of reality and the author's inner world. In essence, Qu Yuan's myths are reality disguised in symbolic form. The turn to gods and spirits by scholars like him wasn't a matter of preference but a necessity, born from the need to grapple with an unjust and corrupt world, making the supernatural a natural focus for their work.

Another type of mythology differs in nature, not reflecting reality but standing in opposition to it—an ideal world that starkly contrasts with the real one. This is exemplified by the world of immortals beloved by Li Bai and similarly cherished by Su Shi—a transcendent, ethereal realm, pure and beautiful, entirely separate from the sordid reality. Unlike Qu Yuan's mythology, which lacks religious undertones—even in songs originally meant for worshiping Xiang River God and Yuan River God, his personal sentiments

stripped away any religious emotion—the mythological worlds of Li Bai and Su Shi offer a sanctuary for the troubled soul, infused with religious and escapist sentiments.

Li Bai, with his extraordinary talent, faced significant adversity and disappointment. However, finding solace in his religious beliefs, he never resorted to extreme measures like suicide. Known as the “Immortal Poet,” Li Bai’s fascination with immortality began in his youth on Mount Emei, where he mingled with Taoists, indulging in fantastical dreams of becoming an immortal. He later called himself the “Banished Immortal of the Golden Gate,” expressing his disdain for worldly power in singing and drinking, finding freedom and idealism in the world of immortals. This mythological world became a source of spiritual intoxication for scholars like Li Bai, who reveled in the joy of their self-created fantasies.

Su Shi, although often associated with Buddhist monks and appearing as a Buddhist follower, was commonly regarded as immortal. During his most content moments, he felt as if he was transcending into immortality. After exiled to Huangzhou, a rumor circulated that he and Zeng Gong had ascended together. Su Shi also recounted the story of his Taoist friend Chen Taichu’s ascension. When he was young, Su Shi studied under Taoist Zhang Yijian, who had hundreds of disciples but favored Su Shi and Chen Taichu. During Su Shi’s exile, a Taoist from Shu region reported the circumstances immediately after Chen Taichu’s death: the prefect ordered Chen’s body to be taken outside the city for cremation. When the laborers grumbled about the unpleasant task, Chen Taichu supposedly smiled, opened his eyes, and walked to the bridge where he passed away. During his cremation, the entire city witnessed his ascension in the rising smoke.

Su Shi’s perspective on life and death is one of broad-minded acceptance. Having experienced the full spectrum of life’s trials, his discussions of ghosts and gods reached new heights.

However, this self-soothing mythology must have its limits. If it develops negatively, it can devolve into self-deception, inevitably becoming a

mere pipe dream and a source of ridicule. The romances between distressed scholars and the daughters of wealthy officials or aristocrats in the Ming and Qing dynasties, along with human-spirit, human-ghost, and human-demon relationships, are examples of such misguided idealism, distorting the original essence of mythological discussions.

Ordinary people typically worship ghosts and spirits with practical intentions: to avoid disaster and seek blessings. In contrast, scholars' fascination with the supernatural often stems from a deep spiritual need rather than clear utilitarian goals. This approach helps them alleviate the pressure from their ambitions but fosters a genuine sense of "non-action."

Today, fewer scholars indulge in discussions of the supernatural because most are preoccupied with making a living. Despite this shift toward rationality, a subtle longing for an idealized world persists. Without ghosts and spirits, can intellectuals find another sanctuary for their ideals? Perhaps, their confusion is palpable.

The Mythological Foundations of Confucianism

The assertion that Confucianism is a religion is well-established. In traditional Chinese society, Confucianism, Taoism, and Buddhism are collectively referred to as the “three teachings,” frequently mentioned in ancient texts. However, many people argue today that Confucianism is an academic discipline, while Taoism and Buddhism are true religions. The rationale is that there are in Buddhism and Taoism, whereas Confucianism does not discuss gods, ghosts, power, or chaos extensively and is thus not a religion. By examining *The Analects*, one finds scant references to “gods” and only a few mentions of “heaven,” insufficient to form a religious mythological system. Consequently, some assert that calling Confucianism a religion is a mistake.

In fact, claiming Confucianism is not a religion is the greater error.

Firstly, a founder’s atheism does not negate the existence of a religion. While a founder’s teachings are crucial in the formation of a religion, it is the followers’ veneration and deification that truly solidify its presence. Siddhartha Gautama did not believe in gods and challenged the Brahmanical focus on divine power, urging people to find happiness through their own efforts by overcoming ignorance and attachment. Buddhism teaches that individuals are the architects of their own fortune. In a sense, Buddhism could be considered atheistic. Similarly, extracting a divine genealogy from Laozi’s *Dao De Jing* is challenging, yet he is venerated as the founder of Taoism. Neither Siddhartha Gautama nor Laozi was a god, but their followers deified them. Confucius underwent a similar transformation. From the Han dynasty onward, emperors continually included Confucius in official sacrifices, frequently granting him posthumous titles, turning him into a mythological figure and the de facto founder of Confucianism. His statue stands alongside those of Laozi and Buddha. Ignoring this significant fact is untenable.

Thus, the statements in *The Analects* do not suffice to claim Confucianism is not a religion. During Confucius's time, Confucian thought was not mainstream; the dominant philosophies were those of Mozi and Yang Zhu, as well as various military strategies. It was only during the Han dynasty that Confucianism solidified into its current form. Confucius likely never imagined the reverence he would receive posthumously, given his strenuous efforts during his life. He was too busy traveling and teaching, unable to establish a formal religious sect. While Confucius himself may have been skeptical about gods, this does not mean his successors and later rulers shared this skepticism. The founder's views and the religion's values may differ, and using Confucius's statements to define the nature of Confucianism is overly simplistic and unconvincing.

Secondly, *The Analects* is not the central text of Confucianism. The cultural essence of Confucianism extends far beyond Confucius's teachings. During the Han dynasty, the Confucian canon was established as the Six Classics: *The Classic of Poetry*, *The Classic of History*, *The Classic of Rites*, *The Classic of Music*, *The Book of Changes*, and *The Spring and Autumn Annals*. The inclusion of *The Analects* and *The Mencius* in the Confucian canon occurred later. Notably, the *Six Classics* are imbued with significant mythological elements. For instance, the *Odes* and *Hymns* in *The Book of Songs*, serve as the foundational songs for ancestor worship. The Zhou people elevated ancestral gods to a status equal to that of heavenly gods, declaring, "All things originate from heaven; humans originate from their ancestors." The hymns to ancestral gods in *The Book of Songs* are a testament to this belief, solidifying the unique importance of ancestors during the Zhou dynasty. More significantly, later rulers adopted these hymns to promote ancestor worship, making it a foundational element of religious culture in feudal society. Furthermore, *Liji*, or *The Book of Rites*, meticulously outlines the pantheon of heavenly gods, earthly deities, and human ghosts, along with their corresponding rituals, serving as the standard for royal sacrificial rites throughout the dynasties. In determining the nature of Confucianism, how can we disregard the *Six*

Classics? Reading the *Six Classics*, can anyone still argue that Confucianism does not believe in gods? These deities are not merely remnants of ancient texts; they were actively worshipped on royal altars, representing a dominant force in Chinese religious culture for thousands of years—an influence of immense social significance that cannot be overlooked. The Temple of Heaven and the Temple of Earth in Beijing, still visible today, are not mere Qing dynasty creations but have origins traceable to the Xia and Shang dynasties, as recorded in Confucian texts. Confucianism propelled the development of this cultural tradition. Confucianism possesses a comprehensive and extensive pantheon, a historical fact beyond dispute. Read the *Six Classics*, and we can easily understand this.

Thirdly, Confucianism shares many fundamental traits with Buddhism and even Christianity. For instance, the founders of these religions are great historical figures whose teachings have existed for millennia. Jesus has his disciples, Buddha has his followers, and Confucius has his students. Christianity has *the Bible*, Buddhism has its scriptures, and Confucianism has the *Six Classics*, later expanded to the *Thirteen Classics*. Christianity advocates for freedom, equality, and love; Buddhism promotes the “four noble truths,” “the twelve links of dependent origination,” and “the three marks of existence”; Confucianism emphasizes benevolence, righteousness, propriety, wisdom, and faithfulness—all doctrines aimed at saving and improving humanity. Each religion has its rituals, though they differ in specifics. How, then, can Confucianism be considered different?

Why, then, has Confucianism been questioned and considered for exclusion from the category of religion? A key reason lies in its long history as the state religion, which upheld the hierarchical feudal order. As feudal society became increasingly rigid and corrupt, the collapse of these dynasties sparked widespread calls to overthrow Confucian orthodoxy. Without state support, Confucianism came to be equated with feudal culture, leading to its widespread rejection. The two-thousand-year dominance of Confucian culture abruptly ended.

As both a philosophy and a religion, Confucianism was not destined for such a downfall, yet this outcome was also unavoidable. The primary culprits were the rulers themselves, who monopolized divine power and extended this control to culture, cutting off the common people's access to Haotian, the Supreme Deity, and reserving religious rites for a select few. By suppressing so-called "heretical" and "excessive" worship, they stifled the spiritual freedom of the masses. This aristocratization of Confucianism alienated it from the public, who increasingly resisted this spiritual oppression. As society modernized, Confucianism declined, and Confucian scholars became scarce. The grand religious ceremonies of the past, such as sacrifices to Heaven and Earth and the grand rites for Confucius, faded into history. Consequently, it is no surprise that Confucianism is no longer regarded as a religion.

In contemporary China, religious beliefs are still quite prevalent among the general populace. While many pursue a noble spiritual realm, for most, belief in gods and spirits is primarily a pragmatic endeavor. Simply put, they seek divine protection and prosperity. On Lunar New Year's Eve, people flock to temples to burn the first incense sticks, with some willing to pay a fortune to strike the temple bell, fearing their prayers might go unanswered. The bells of Longhua Temple ring out from midnight until dawn. Sadly, the once-thriving Confucian temples now see little activity. For instance, a Confucian temple in Shanghai has lost its cultural significance, its grounds taken over by bathhouses, with the statue of Confucius standing neglected, as no one offers incense to the rusting figure. This isn't a reflection of anti-feudal sentiment but rather the collapse of the belief in "golden houses in books," leaving Confucius unable to inspire religious fervor, reducing him to a mere old figure.

If Confucius were given some functions of the God of Wealth, would Confucianism fare better? Its current lack of recognition as a religion may stem from its failure to promise material gain. Nevertheless, Confucianism remains a major traditional religion, a fact that cannot be erased—this is an evident historical reality.

The Evolving Taoist Deities

Generally, a religion should have a clearly defined central deity to stabilize its foundations and develop its doctrines. Chinese Taoism does have its primary deity, but this deity's identity has evolved over time. Can a religion without a prominent central deity be considered mature?

This is a question worth pondering. The reality is that Taoism is a mature religion, but its main deity has indeed evolved. We might interpret this phenomenon as a necessary stage in the religion's development, but the change of Taoism's primary deity reflects the unique cultural spirit of China rather than an intrinsic religious principle.

In *Journey to the West*, Sun Wukong (Monkey King) has a famous statement, "Royal power rotates; next year it will be my family's turn." It demonstrates the spirit of resistance against any single dynasty or ruling family in Chinese culture. There is no eternal rule, and the notion of "ten thousand years governing" is an illusion. The spirit of change is deeply embedded in Chinese culture, manifesting in various forms—from the transformative principles in *The I Ching*, the Legalist emphasis on change, to the Buddhist concepts of kalpas and the folk notions of cosmic cycles. Such a cultural ethos naturally extends to the changing deities in Taoism.

Another significant factor in the changing deities of Taoism is the influence of different factions within the ruling class. In ancient China, royal authority superseded divine authority, making it easy for rulers to disrupt religious pantheons. They often altered existing divine hierarchies to suit their needs. These changes were justified by asserting that the mandate of heaven shifted with virtue—a concept rooted in ancient rationality. Later, this was supplemented with the notion of "qi," adding a layer of mysticism. This combination of virtue and qi became a typical political myth. Taoist mythology, infused with political myth, thus underwent numerous changes.

In many religions, the founders often become deified after their passing. For instance, after Siddhartha Gautama, known as the Buddha, attained nirvana, he was soon deified by his followers despite his opposition to the worship of deities during his lifetime. Many believers viewed him as a divine being. However, the fate of Zhang Daoling, the founder of “The Way of the Five Pecks of Rice” (Wudoumi Dao) in Taoism, was markedly different.

Zhang Daoling’s religious sect “the Way of the Five Pecks of Rice” was initially condemned by the ruling authorities as heretical. According to *Legend of Liuyan* in *The Book of the Later Han (Hou Han Shu)*, “Initially, his grandfather Zhang Daoling, during the reign of Emperor Shun, was a guest in Shu, studying the Dao at Mount Heming. He created talismans and texts to deceive the people. Those who accepted his teachings had to offer five pecks of rice, hence he was called the ‘rice thief.’” This shows that early Taoism was considered an illicit practice and faced persecution. Another early Taoist sect, the Way of Supreme Peace (Taiping Dao), led the Yellow Turban Rebellion and was suppressed by the authorities, implicating the Way of the Five Pecks of Rice due to their similar practices. Historical records often state that the practices of the Five Pecks of Rice were similar to those of Zhang Jiao’s teachings, making it natural for the authorities to be wary of them.

Fortunately, Zhang Daoling’s grandson, Zhang Lu, who had controlled Hanzhong for over thirty years, promoted his grandfather’s teachings and established a strong base among the people. Later, Zhang Lu surrendered to Cao Cao, allowing the Way of the Five Pecks of Rice to be openly practiced.

Zhang Daoling was revered as the Celestial Master by Taoists, leading to the Way of the Five Pecks of Rice being called the Way of the Celestial Masters (Tianshi Dao). Within the Taoist community, Zhang Daoling was highly esteemed, with his descendants inheriting the title of Celestial Master for generations. *Han Celestial Master Family Record* describes a mythic origin for Zhang Daoling, claiming his mother dreamed of a celestial being from the Northern Dipper that descended to the earth and impregnated her with a fragrant herb, resulting in Zhang Daoling’s birth. This mythological account is

clearly fabricated, considering the geographical discrepancy between Shu and Wu, which are over a thousand miles apart.

Another text, *Complete Biography of the Immortals*, states that Zhang Daoling mastered *Dao De Jing* at the age of ten and later received a divine book from Laozi, enabling him to perform miraculous feats and subdue demons. Despite these high claims, the reality was different. Zhang Daoling's early followers were seen as rebels, and the authorities labeled them "Rice Thieves." It is inconceivable that a figure initially regarded as a criminal could later be deified. This fundamental contradiction explains why the founder of Taoism faced such significant repression.

Wang Chang's *Zhi Xin Lu* records an incident from the Song Dynasty involving a prefect named Lin who imprisoned Zhang Daoling, the Celestial Master. Lin reported to the emperor, stating, "His ancestor was a Han dynasty rebel; it is inappropriate for his descendants to inherit the title." Zhu Xi celebrated Lin's actions, praising him for daring to call Zhang Daoling a thief when everyone else revered him. This episode highlights the longstanding tension between Zhang Daoling's Way of the Five Pecks of Rice and the ruling authorities, who feared it would incite rebellion. Because of this, Daoists themselves hesitated to elevate Zhang Daoling to the status of a major deity, preventing him from gaining the same level of recognition as Siddhartha Gautama.

When Zhang Daoling established the Way of the Five Pecks of Rice, it was not widely known, so he leveraged the prestige of Laozi and adopted the *Dao De Jing* as its sacred text. In his work *Xiang'er Commentary to the Laozi* (*Laozi Xiang'er Zhu*), a surviving fragment states, "The Dao is One; the One disperses to form qi and condenses to form The Grand Supreme Elderly Lord (Taishang Laojun)." At this point, the notion of the Primordial Celestial Worthy (Yuanshi Tianzun) had not yet appeared, and Laozi was regarded as the highest deity in Daoism.

Laozi's elevation to the status of Daoism's supreme deity can be attributed to the mystical elements in the *Dao De Jing*, especially its teachings on

immortality and the enigmatic nature of the Dao, which perfectly embodied Daoist principles. Before becoming a deity, Laozi himself was already shrouded in mystique. *Records of the Grand Historian* claims he lived for over 160 years, possibly over 200, practiced Daoist self-cultivation, and seemingly vanished westward beyond the Hangu Pass without a trace, all of which provided ample material for his deification.

However, Laozi's preeminence was relatively short-lived. By the time of the Jin dynasty, the Primordial Celestial Worthy had supplanted Laozi in the alchemist Ge Hong's *The Pillow Book*. In Tao Hongjing's *Diagram of the Rankings of True Immortals*, Laozi was relegated to the fourth place. Even though myths later elevated Laozi as the ruler of the universe, his status in the Daoist pantheon fluctuated, ultimately positioning him the third among the "Three Pure Ones," subordinate to the elusive the Primordial Celestial Worthy and The Heavenly Lord of Spiritual Treasures (Lingbao Tianzun). Despite notions like "Laozi's transformation into the Three Pure Ones," people associated the titles The Heavenly Lord of Dao and its Virtue (Daode Tianzun) or The Grand Supreme Elderly Lord (Taishang Laojun) more closely with the Primordial Celestial Worthy (Laozi than Yuanshi Tianzun).

From its inception, Daoism faced both internal and external pressures. Buddhism's arrival in China posed a significant threat to it as Buddhism sought to dominate the religious landscape, while Confucianism remained the state's ideological backbone since the Han dynasty. Daoism found itself in a difficult position, needing to fend off Buddhist influence while contending with the marginalization caused by Confucianism. Daoists attempted to straddle both worlds, claiming that Laozi had transformed into Buddha and taught Siddhartha Gautama, and that Confucius was Laozi's disciple. This dual strategy, however, proved unwise. Daoism refused to compromise with Buddhism but had to make concessions to Confucianism, which was too integral to the feudal state's framework to oppose directly.

Daoism's founder, Zhang Daoling, was branded a "rice thief" during his time, while Confucius was venerated as a sage. Confucian ideology served

as the foundation of the ruling class, which made it difficult for Daoism to compete with Confucianism. Furthermore, Daoist deities often came from the state's religious rituals with deeply rooted Confucian traditions, making it avoid challenging Confucianism openly.

During the Tang dynasty ruled by the Li family, Laozi's status saw a dramatic rise. Given that both Laozi and the Tang emperors shared the surname Li, emperors like Li Yuan and Li Shimin endeavored to establish Laozi as the ancestor of the Li Tang royal family. The Li family, not from a traditionally prominent lineage, sought a powerful ancestral figure to bolster their prestige. Consequently, the Tang court proposed that among the three teachings—Confucianism, Daoism, and Buddhism—Daoism should be regarded as supreme, thus bestowing immense honor upon Daoism and significantly elevating Laozi's stature within its pantheon.

However, this highly pragmatic approach also harmed Daoism. The Li's family rule was not eternal, and when they fell from power, Laozi's position was jeopardized. In fact, during the Song dynasty, Laozi faced criticism, and his status was devalued. Song scholar Fan Zuyu commented, "The Tang ancestors made Laozi, through the words of charlatans and sycophants, the supreme deity. The first emperor Gaozu started it, later emperors Gaozong and Xuanzong fanned it, elevating him through the words of alchemists to the position of the Supreme Emperor. It is a severe deviation from Daoism." To the Song scholars, the elevation of Laozi to the supreme deity was extremely inappropriate.

Since the Three Pure Ones were said to be transformations of Laozi, it wasn't just the Grand Supreme Elderly Lord (Taishang Laojun) who was implicated, but even the Primordial Celestial Worthy (Yuanshi Tianzun) came under scrutiny as well. Zhu Xi, in his *Collected Commentaries of Master Zhu*, critiqued Daoism saying, "The Daoist teachings originated from Laozi. Their so-called Three Pure Ones mimicked the Buddhist concept of the three bodies of the Buddha. The Buddhist three bodies represent the original nature, merit, and physical presence of the Buddha. Daoists, mimicking

this, elevated Laozi to the Three Pure Ones: The Heavenly Lord of Dao and its Virtue, The Grand Supreme Elderly Lord and the Primordial Celestial Worthy, placing them above the Supreme Emperor. This is a severe deviation and usurpation. Furthermore, Laozi's death is mentioned in *Zhuangzi*, indicating he was merely a human. How could he occupy a position above the Supreme Emperor? The teachings of Buddhism and Daoism should be entirely abolished." This critique effectively undermined Laozi's position as the supreme deity in Daoism. Laozi's misfortune in the Song dynasty was a boomerang of the excessive promotion during the Tang dynasty. Initially, The Primordial Celestial Worthy held some transcendental status, but the Tang's association of him with their ancestor transformed an ultimate deity into a historical figure, diminishing his transcendence.

Starting from the Song Dynasty, the status of the Grand Supreme Elderly Lord gradually declined. By the time of the Ming dynasty, in the mythological novel *Journey to the West*, the Grand Supreme Elderly Lord had been relegated to the role of an old man overseeing an alchemical furnace, almost insignificant in the pantheon.

With the fall of the Primordial Celestial Worthy and the Grand Supreme Elderly Lord, how would Daoism manage its pantheon? Daoists realized that clinging to the old framework of "one essence transforming into the Three Pure Ones" was unsustainable; change was necessary.

First, a supreme deity unconnected to Laozi had to be chosen. In *Diagram of the Hierarchies of the True Spirits*, there were two less prominent deities: the Jade Emperor, Lord of Dao (Yuhuang Daojun), ranked eleventh, and the Exalted and Superior Jade Emperor (Gaoshang Yudi), ranked nineteenth. These were to become the later Jade Emperor. *The Daoist Canon* states that the Primordial Celestial Worthy passed his position to three deities, with ten titles. This provided a model for the transition of the supreme deity in Daoism. The ninth title was said to be the Jade Emperor. Daoist followers thought: why shouldn't the divine realm follow the same principle as the human realm? The Primordial Celestial Worthy did not eternally hold the

throne; the heavenly realm also had hereditary succession. This explanation preserved the previous myths while allowing space for new myths. It was the perfect context for the Jade Emperor's ascension as the supreme deity, making his rise justifiable. Without any clear connection to Laozi, the Jade Emperor became the new candidate for the top position in Daoism.

Initially inconspicuous in *Diagram of the Hierarchies of the True Spirits*, the Jade Emperor later became the supreme deity among the "Four Sovereigns," titled the Supreme Sovereign of the Jade Emperor. The "Four Sovereigns" were initially ranked below the "Three Pure Ones," but the Jade Emperor's influence steadily grew, challenging the Primordial Celestial Worthy and ultimately replacing him.

The growth of the Jade Emperor's status was also tied to the Song dynasty's desire for a powerful patron. The Tang dynasty had elevated Laozi; the Song dynasty needed its own influential backer. According to *The History of Song*, Emperor Zhenzong of Song dreamed of a divine figure conveying the Jade Emperor's command, stating that the ancestor of the Zhao family would bestow upon him celestial texts and meet him in person. Unlike the Tang emperors, Emperor Zhenzong wisely separated the Jade Emperor from his own lineage, ensuring the deity's transcendental status while securing divine endorsement for the Song dynasty. Emperor Zhenzong established the Jade Emperor's image in the Zifu Hall and conferred upon him the grand title: the Supreme Emperor of the Great Beginning Who Holds the Talisman, Governs the Calendar, Embodies Truth, and Follows the Way, the Jade Emperor of the Great Heaven. Daoism thus had a new supreme deity, and the earthly realm had an influential new patron.

The emperors of the Song dynasty further expanded the functions of the Jade Emperor to enhance his supremacy. During the reign of Emperor Huizong, the title of the Jade Emperor was elevated to the Supreme Emperor of the Opening of Heaven Who Holds the Talisman, Governs the Calendar, Embodies Truth, and Follows the Way, the Jade Emperor of the Vast Heaven. This merged the Supreme Deity of the Vast Heaven (Haotian Shangdi) from

the royal sacrificial rites with the Jade Emperor, positioning the Jade Emperor as the primary deity in the royal sacrificial ceremonies—a unique honor not enjoyed by any other Daoist deity.

Comparing the actions of Emperor Zhenzong and Emperor Huizong of the Song dynasty, Zhenzong's approach was relatively more successful. Although somewhat absurd, Zhenzong avoided directly associating the Jade Emperor with the Zhao family lineage, thereby preventing the total collapse of the Jade Emperor's status in the event of the Zhao family's downfall. In contrast, Huizong's attempt to dismantle the centuries-old mythological pantheon was overly ambitious and ultimately undermined the Jade Emperor's standing within the royal context.

However, the transition of the Jade Emperor from the royal court to the common people during the Song dynasty marked a liberation in Chinese mythology. The Supreme Deity of the Vast Heaven (Haotian Shangdi) was an exclusive deity for the emperor's worship, but by merging him with the Jade Emperor, ordinary people gained direct access to the supreme deity. This shift represented a major turning point in the religious development of Chinese society, breaking the monopoly of divine power and introducing a shared deity for both the emperor and the populace. Huizong's bold move effectively sent the Jade Emperor into the hearts and homes of the common people, making him the most influential deity in Chinese folklore.

Despite the benefits to the populace, later rulers were not pleased with this change and were uncomfortable sharing a deity with the common people. In the twelfth year of Emperor Chenghua's reign in the Ming dynasty, the imperial Jade Emperor shrine was dismantled, and the traditional Daoist temples reinstated the old statues of the "Three Pure Ones" and the "Four Sovereigns." This decision was influenced by two factors: the Jade Emperor was seen as a protector of the Zhao family of the Song dynasty, which was no longer relevant under the Ming rule, and the Ming emperors preferred not to share a deity with the common people.

From Laozi and the Primordial Celestial Worthy to the Jade Emperor,

the change of the Daoist supreme deities is fascinating. A key reason for this evolution is that in ancient Chinese society, royal authority often overshadowed divine authority, allowing the ruling house to adjust the pantheon based on its needs.

This fluidity in the supreme deity reflects something unique in Chinese culture—its willingness to destroy and create gods. It is remarkable to see audacious Chinese people reshape the divine realm according to the changing needs and contexts.

Atheistic Religious Founders

Though religious founders were often deified after their deaths, they themselves had not believed in gods or may have actively opposed the belief in deities. The gods of many religions were not creations of the founders but rather of their followers. These founders, often revered as “Great Heroes” or “Great Sages,” emphasized the perfection of human character and believed that individuals could attain enlightenment or sainthood through their efforts without relying on divine assistance. This emphasis on human strength is one of the most fascinating aspects of Chinese religion and a key element of the founders’ charisma.

Those who deify figures like Siddhartha Gautama (Buddha), Laozi, and Confucius are typically those who feel weak compared to these great leaders. In a sense, deifying these founders has often led to the degradation of their teachings.

Ge Hong, a notable religious leader who stood against the tide of superstition, exemplifies this. He believed in the immortals, but this belief was more of an ideal that he pursued independently, without seeking external assistance. His conviction in the efficacy of elixirs to prolong life led him to make significant contributions to chemistry, a notable chapter in the history of Chinese science.

Ge Hong’s famous work, *Baopuzi*, portrays him as a materialist thinker who harshly criticized superstitions and openly declared his disbelief in gods. He boasted that he never worshipped at temples or shrines, yet he traveled extensively without accidents. He even spent nights in places reputed to be haunted without fear and never got hurt. His skepticism and sharp critiques of superstitious tales set him apart, perhaps even more so than Wang Chong, another prominent skeptic.

Although Ge Hong is said to have written *Biographies of the Deities and*

Immortals, (Shenxian Zhuan), which might seem to indicate his belief in supernatural beings, a closer look reveals otherwise. Initially, I suspected that this book was falsely attributed to him, but I later realized this suspicion was unnecessary. Reading the tales of the immortals makes one realize that the spirit of *Biographies of the Deities and Immortals* perfectly aligns with that of *Baopuzi*.

In *Biographies of the Deities and Immortals*, those who achieve immortality do so through taking elixirs and diligent self-cultivation, not because they are born with immortal genes. The path to becoming immortal involves meticulously nourishing both body and spirit through the use of alchemical pills—there was no other way.

Laozi is a prime example of someone whom Daoist followers have fervently deified. Whether he is described as “one breath transforming into the Three Pure Ones,” “Laozi transforming the barbarians,” or as the alchemical “Grand Supreme Elderly Lord,” Laozi’s legend has been steeped in divine attributes. Ge Hong collected these myths and fiercely criticized their absurdity. Tales about Laozi’s divine conception abound: his mother conceived him after seeing a large shooting star, and he was born into the Li family; others claim Laozi was born before heaven and earth, or as the essence of heaven, or that his mother carried him for seventy-two years, giving birth by splitting her left armpit, and he was born with white hair, thus called Laozi (Old Master); or that his mother gave birth to him under a plum tree, and he could talk at birth, saying the tree should be his surname. Some even say Laozi had different titles in different eras, such as the Master of Profound Central in the times of the Three Sovereigns, the Lord of the Golden Tower in the lower Three Sovereigns, and Yuhua Zi in the time of Fuxi of pre-historic times. Ge Hong dismissed these stories as “unverifiable,” attributing them to “late scholars who love the strange and exotic, and wish to exalt Laozi.” In Ge Hong’s view, all the myths surrounding Laozi were utterly ridiculous.

So, how did Ge Hong intend to define Laozi? Ge Hong explicitly stated, “In fact, Laozi was a most accomplished Daoist practitioner, not an

extraordinary being.” Laozi was a person, not a deity. Under the prevailing circumstances of his time, Ge Hong ran considerable risk by demystifying Laozi, demonstrating the courage of a true religious and philosophical thinker. He did not aim to destroy religion; rather, he sought to liberate Daoism from shallow superstitions and elevate it to a genuine practice of Dao cultivation, expelling “shallow-minded Daoists” from the realm of Daoism.

Why was it essential to restore Laozi to the status of a human practitioner rather than a deity? Ge Hong explained, “If Laozi is considered a perfected Daoist practitioner, people will strive to emulate him; if he is seen as a divine being, it is beyond reach for humans to learn from him.” Affirming Laozi as a human and a model Daoist practitioner is essential for advancing Daoist practice. This approach requires the removal of certain deities and spirits to restore human dignity. At the highest level of religious attainment, belief in gods becomes unnecessary, and faith in human potential takes precedence.

Did Ge Hong’s disbelief in gods hinder the development of Daoism? The answer is straightforward: no. Ge Hong remains a distinguished representative of the Daoist alchemical tradition and a prominent figure in history. His skepticism did not diminish his stature as a religious scholar and leader.

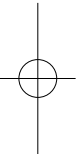
To understand Chinese religion, one must recognize that, despite acknowledging countless deities, there is no full belief in any of them. Instead, the fulfillment of ideals is ultimately believed to depend on the individual’s will.

Therefore, should we revere these sanctified founders, or should we cheer for their unwavering belief in the greatness of the human spirit?

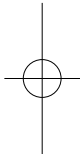


Book Two Ghost Stories: The Rise and the Impact of Buddhism

Old Wine in Old Bottles with New Labels



Chinese mythology is characterized by an abundance of ghost stories and a relatively smaller number of tales about gods. The proliferation of ghost tales in Chinese mythology raises the question: why are ghost stories so prevalent?



Upon closer examination, we find the flourishing era of ghost tales in Chinese mythology closely aligns with the rise of Buddhism. During the pre-Qin period, there was a limited number of documented ghost stories, reflecting the ancient Chinese attitude of “respecting the spirits while keeping a distance.” During the Qin and Han periods, although superstition was rampant, the focus was more on achieving immortality rather than dealing with ghosts. Thus, while there was a significant belief in ghosts from the pre-Qin to Qin and Han periods, the number of ghost stories remained relatively small.

Originally, Buddhism opposed superstition about gods and ghosts. So why did the introduction of Buddhism to China lead to an increase in ghost stories?

When Buddhism first entered China, it was similar to Taoist alchemy



and shamanistic practices, thus attracting little attention. However, as Buddhism gradually revealed its core tenets, it became apparent that it significantly differed from traditional Chinese values. Early Theravada Buddhism emphasized the concept of karma and retribution, with ghosts and spirits playing a crucial role in its teachings. This led to early cultural conflicts centered around the existence and fate of the soul, with ghost stories becoming a focal point of these debates. In these debates, Buddhists often found themselves at a disadvantage, while atheistic arguments frequently prevailed.

Analogies were often employed to make a point in the debates between Buddhists and Daoists. One famous example is the comparison of a knife and its edge: the knife represents the body, and the edge represents the soul; without the knife, there is no edge. Another analogy compares the skin and the hair: the body is the skin, and the soul is the hair; without the skin, where would the hair attach? Yet another comparison is between the fuel and the fire: the body is the fuel, and the soul is the fire; when the fuel is exhausted, the fire extinguishes. These analogies challenged Buddhist monks, who struggled to prove the existence of the soul in theory. Additionally, the concept of karma and retribution had its flaws, as many virtuous individuals did not receive good fortune, while those who committed evil often held high positions, lived luxuriously, and enjoyed wealth and honors. This discrepancy undermined the Buddhist teaching that “good begets good and evil begets evil.”

In response to the analogical arguments presented by atheists, Buddhists countered with anecdotal evidence. They found that stories of encounters with ghosts and spirits, which were popular among people, had a profound impact. These anecdotal “facts” were more persuasive than abstract arguments. As a result, Buddhists began to circulate numerous ghost stories. These stories became a cultural phenomenon from the Eastern Jin and Southern and Northern dynasties to the Sui and Tang dynasties. During this period, numerous collections and ghost storybooks documented thousands of these tales, with many more lost over time. This practice solidified the phrase “Buddhism uses ghosts to clarify” as a significant concept in cultural history.

Initially, in their debates with atheists, Buddhists often found themselves at a disadvantage. For example, Fan Zhen's work *On the Annihilation of the Soul* and his victories in several major debates left Buddhists flustered. However, when Buddhists shifted their strategy away from direct theoretical confrontation and instead used ghost stories to spread their teachings, they found this approach more effective against atheists. These ghost stories successfully ingrained the concepts of the indestructible soul and karma into people's minds, marking a significant triumph for Buddhists. However, this triumph did not validate their supernatural beliefs but rather underscored the theoretical challenges they faced.

A typical ghost story might unfold like this: a skilled atheist, firm in his disbelief, eventually comes face to face with a ghost. Despite the ghost's attempts to persuade him, the atheist remains unconvinced—until the ghost reveals its true form, proving the existence of spirits by its very presence. Stories like these suggest that Buddhists resort to such arguments out of necessity.

Consider the story of Ruan Zhan from *Records of the Hidden and the Manifest*, which serves as an illustrative example:

Ruan Zhan was a staunch atheist. One day, a ghost, knowledgeable about Ruan's reputation, visited him disguised as a guest. They engaged in a conversation about philosophy and metaphysics, where the ghost displayed remarkable intellect. Eventually, the discussion turned to the existence of ghosts and spirits. The ghost vehemently argued in favor of their existence, ultimately frustrating Ruan. The ghost then revealed its true form, stating, "Ghosts and spirits have been acknowledged by sages and wise men throughout history. How can you alone deny their existence?" The ghost vanished into thin air, leaving Ruan deeply unsettled. Within a year, Ruan fell ill and died.

This story, often included in various ghost story collections, is considered highly significant. Its underlying message is clear: debating the existence of ghosts and spirits is futile because their existence is not theoretical but an

undeniable “fact.” Those stories show that atheists used to have the upper hand in theoretical debates about the existence of spirits, but Buddhists turned to ghost stories to curse and intimidate atheists, seeking to achieve a spiritual victory through non-rational means and get out of the conundrum. However, this victory is symbolic rather than tangible, representing an ideal rather than reality. The more severe the real-life challenges, the more prevalent the fantasies become. Can such a “victory” alter the actual conditions of existence?

In Ruan Zhan’s story, his death occurred more than a year after his encounter with the ghost, raising doubts about whether the ghost actually caused his demise. Another story illustrates a more severe retribution against a non-believer.

According to a ghost story cited in *Extensive Records of the Taiping Era (Taiping Guangji)*, a man named Zong Dai, who once served as the governor of Qingzhou, prohibited illicit sacrifices and authored a book titled *On the Non-Existence of Ghosts*. His arguments were so rigorous that no one could refute him. His influence extended beyond Qingzhou, leading people in neighboring regions to stop believing in and worshiping ghosts. One day, a man dressed as a scholar visited Zong Dai and debated the existence of ghosts with him. The scholar was formidable, leaving Zong Dai struggling to respond. The scholar then revealed himself as a ghost, chastised Zong Dai for denying them offerings for over twenty years, and vowed to punish him. After making this declaration, the ghost disappeared, and Zong Dai died the following day.

This story starkly warns atheists: insist on your disbelief, and your life may be at risk. It serves as a cautionary tale, urging skeptics to reconsider their stance on the existence of ghosts and spirits.

This specific genre of ghost stories narrates how atheists receive warnings and punishments from ghosts. Unlike typical stories that merely provide self-comfort, these tales have a certain impact, at least making people begin to doubt the atheists. The spread of such stories undeniably puts pressure on atheists.

Obviously, creating ghost stories was a strategic move by Buddhists to avoid theoretical debates with atheists. Instead, they employed a popular narrative form to discredit atheists, thereby propagating beliefs in ghosts and retribution across even the most remote villages and urban corners. This approach compensated for theoretical shortcomings and used mysterious forces to captivate the public. The success of Buddhist doctrines on the immortality of the soul and karmic retribution relied more on these ghost stories than on logical arguments. By examining this genre of ghost stories, we can trace the spread of Buddhism throughout China.

Buddhists displayed a pragmatic attitude in crafting these ghost stories. Rather than focusing on scriptural citations or describing Western ghosts and deities, they narrated local accounts of people encountering or becoming ghosts. This localization principle proved highly effective, making people believe that ghosts were nearby, not distant entities. The Buddhist auxiliary texts compiled were filled with detailed “real-life” accounts, complete with names and specific details. Even if these stories were not originally Buddhist, as long as they supported the reality of ghosts and the truth of retribution, Buddhists would include and record them.

I'll introduce some of these stories in chronological order.

The earliest collection of ghost stories is titled *Arrayed Marvels (Lie Yi Zhuan)*, from which many tales were cited in Buddhist texts such as *Forest of Gems in the Garden of the Dharma (Fa Yuan Zhu Lin)*. One particularly intriguing story in this collection is *Dingbo Captures a Ghost*:

In Nanyang, when Song Dingbo was young, he encountered a ghost while walking at night. Dingbo asked, “Who are you?” The ghost replied, “I am a ghost. What are you?” Dingbo, deceiving the ghost, said, “I am also a ghost.” The ghost then asked where Dingbo was headed. Dingbo answered, “To the market in Wan.” The ghost said, “I am also going to the market in Wan.” They walked together for several miles. The ghost suggested that walking was too tiring and proposed they take turns carrying each other. Dingbo agreed, saying, “Great idea.”

The ghost carried Dingbo for a few miles, but then complained, “You are too heavy. Are you really a ghost?” Dingbo replied, “I am a new ghost, so I am still heavy.” Dingbo then took his turn to carry the ghost, but the ghost felt very light. This went on for some time. Dingbo then asked, “I am newly dead and don’t know what ghosts fear. Can you tell me?” The ghost said, “We dislike human saliva the most.” As they neared Wan, Dingbo raised the ghost over his head and held it firmly. The ghost screamed and struggled but Dingbo did not let it go. When they reached the market, the ghost turned into a sheep. Dingbo sold it for 1,500 coins, fearing it might transform again, so he spat on it.

This intriguing story of Dingbo capturing a ghost and selling it for money seems unrelated to Buddhism. However, Buddhists valued it because if people believed this story, the existence of ghosts would no longer need proof. Although it didn’t directly address the concept of karma and retribution, it was still beneficial for Buddhism. Perhaps this tale was a product of traditional Chinese beliefs in ghosts and spirits, but Buddhism adopted it for its utility, demonstrating a flexible and pragmatic strategy. This adaptability was one of the reasons why Buddhism won many followers in China.

Gan Bao’s compilation *In Search of the Supernatural (Sou Shen Ji)* is an early collection rich with ghost stories. Unlike the curious tales of *Arrayed Marvel*, *In Search of the Supernatural* had a strong purpose. According to Gan Bao, it aimed to “prove the existence of spiritual beings,” supporting the belief in the soul’s immortality. It is said that Gan Bao’s father favored a concubine, whom his mother deeply resented. After Gan Bao’s father died, his mother pushed the concubine into the tomb, burying her alive. Ten years later, when Gan Bao’s mother passed, they opened the tomb to bury her with Gan Bao’s father. To their astonishment, they found the concubine lying on the coffin, dressed as she had been in life. Her body was still warm, so they took her home. The next day, the concubine revived and claimed that Gan Bao’s father had provided her with food and had been with her as if they were still alive. She accurately recounted both the good and bad events that had occurred in

the family over the years. Additionally, Gan Bao's brother frequently fell ill and appeared dead for days, yet his body remained warm. When he revived, he described seeing the world of ghosts and gods in a dream-like state, feeling as though he had not truly died.

Gan Bao stated that these events greatly impacted him, but they read like myths with questionable credibility. *In Search of the Supernatural* directly opposed the ideas of atheists, presenting numerous stories of atheists being punished by ghosts to argue for the existence of spirits. Its detailed descriptions aimed to prove that ghosts truly existed. Buddhists highly valued this book, and *Garden of the Dharma* used it as a significant source, demonstrating its importance in promoting Buddhist beliefs in ghosts and spirits.

Books with titles like *In Search of the Supernatural* often discuss ghosts rather than gods. This is true for *In Search of the Supernatural* and its sequel, *In Search of the Supernatural: Sequel*. Some attributed the latter to Tao Yuanming, one of the best-known poets during the Six Dynasties period, though maybe it was done to enhance the influence of the book by borrowing Tao's name.

In earlier ghost stories, the existence of ghosts and gods was taken for granted, and atheists were depicted as suffering for their disbelief. However, *In Search of the Supernatural: Sequel (Sou Shen Hou Ji)* began to emphasize Buddhist concepts of retribution for sins and the cycle of life and death. These ideas are genuinely Buddhist. The story of Master Zhu and Wang Hengzhi illustrates this well:

A monk named Zhu from Kuaiji was close friends with Wang Hengzhi, the North Zhonglang General. They often discussed life, death, and retribution for sins, finding the topics obscure and hard to understand. They made a pact that whoever died first would inform the other about the afterlife. Later, Wang saw the monk in a temple. The monk said, "I passed away on a certain date. Retribution for sins and rewards for virtues are real and inevitable. You should diligently practice virtue to ascend to the divine realm. I came to fulfill our agreement to inform each other after death." Upon these words, the monk vanished.

This story served as a Buddhist sermon, aiming to convince people of the reality of retribution and the afterlife, encouraging them to cultivate virtue and avoid hellish punishments.

In ghost stories of the Jin dynasty, such as those in *Records of Strange Events (Shu Yi Ji)*, Buddhist influence is evident. If Master Zhu's account is a mere talk, Tao Jizhi's experience is a vivid example of retribution in action:

At the end of the Yuanjia period, Tao Jizhi served as the Magistrate of Moling and unjustly executed a musician. One night, he dreamed that the musician appeared before him, saying, "You wrongfully killed me, and I took my case to the underworld. They have accepted my complaint, and now I've come to take you." After saying this, the musician jumped into Tao Jizhi's mouth and fell into his stomach. Shortly afterward, the musician emerged again and said, "Taking you now won't be of much use. I still need to settle accounts with Wang Danyang." With that, the musician vanished. Not long after, Tao Jizhi died, and Wang Danyang also passed away.

This story confirms the concept of retribution and suggests that ghostly vengeance is sanctioned by a higher authority, not just an individual act. This differs from traditional ghost stories where revenge or gratitude seemed personal. For example, in *The Book of Mozi*, there is a tale of a vassal named Du Bo during the Zhou dynasty. The beloved concubine of King Xuan of Zhou, Lady Jiu, attempted to seduce Du Bo. When he refused, she falsely accused him of misconduct, leading to his execution. Before dying, Du Bo vowed revenge. Three years later, King Xuan, having forgotten the incident, went hunting with his officials. Suddenly, Du Bo, dressed in red and armed with a bow, appeared and shot the king dead.

In this old tale, retribution is personal and direct, without any supernatural organization overseeing the justice. This contrasts with Buddhist ghost stories, which depict a structured system of karmic retribution managed by otherworldly authorities.

During the Wei and Jin periods, there wasn't a clear concept of hell in

the ghost stories. The underworld appeared to be a place where justice was often enforced by the spirits of the wronged individuals themselves, rather than being governed by an organized system of retribution. Even when early notions of the structure of the afterlife began to surface, they were rudimentary compared to the more fully developed Buddhist concept of hell that emerged later.

An example from Volume 16 of *In Search of the Supernatural* illustrates this. It tells the story of Su E, a vulnerable woman whose parents and husband had passed away. When a local official named Gong Shou tried to take advantage of her, Su E resisted and was murdered. Her ghost, finding no justice in the afterlife, appealed to He Chang, the Governor of Jiaozhou, in the mortal realm. He Chang investigated and punished Gong Shou, thus granting justice.

This story demonstrates that, during the Jin period, Buddhist concepts of karma and retribution had only partially infiltrated Chinese ghost stories. The managers of the afterlife were emerging, but they were heavenly gods instead of “lords of hell”. In the story of Tao Jizhi, where justice was sought from Heaven, we see this blend of traditional Chinese mythology with elements of karma, indicating an early and incomplete adoption of Buddhist retribution.

During the Wei and Jin periods, Chinese ghost stories were still in their infancy. Although Buddhists began weaving ghost stories to counter atheism, most tales remained traditional, collected from popular folklore. These stories often depicted ghosts harming humans or having romantic relationships with human. The Buddhist doctrines of karma, reincarnation, and a world hell were yet to become popular in these narratives.

For a culture to thrive, it must have a suitable environment and foundation to build upon. Buddhism’s rapid spread in China would have been impossible without integrating the country’s traditional ghost stories. However, for new cultural ideas to take root, they must fundamentally transform the old ones; otherwise, they risk being absorbed and extinguished by the existing culture. If Buddhist ghost stories had remained stuck in the

Wei and Jin periods, they would have had little future, merely repackaging old tales with Buddhist terms. In this sense, the ghost stories during the Wei and Jin periods aren't even "old wine in new bottles," but rather "old wine in old bottles with new labels."

The Introduction of Hell

During the Northern and Southern dynasties, Buddhist notions of ghosts thoroughly permeated ghost stories, revealing a hellish world that astonished the Chinese populace. The core of these retribution stories was the concept of hell, a hallmark of Buddhist ghost narratives.

Traditionally, it was believed that virtuous individuals became immortals after death, while the rest turned into ghosts without a clear destination. Early on, it was said that the dead went to Mount Tai, but the specifics of the location there remained vague. Early Buddhist scriptures used Mount Tai as a synonym for hell. However, as Buddhist teachings spread, the concept of hell outgrew Mount Tai, necessitating a new, more expansive depiction.

The emergence of hell stories brought a fresh perspective to ghost narratives, highlighting the distinct Buddhist theme of karmic retribution.

Garden of Marvels (Yi Yuan) is the first ghost story collection from the Southern dynasties, reflecting the shift in tone from the Wei and Jin periods and exhibiting characteristics of the second phase of development. The author, Liu Jingshu, served as a government official in the late Jin and early Song dynasties. Although the ten volumes we read today are not the original, the stories originated from the Southern dynasties.

One notable story from *Garden of Marvels* involving a monk named Zhu Huizhi illustrates the tangible reality of karmic retribution and the existence of hell:

Monk Zhu Huizhi lived at the Four-tiered Buddhist Temple in Jiangling and died in the second year of the Yongchu era. Seven days after his burial, his disciples gathered. All the monks left the temple except for Monk Mingdao, who was ill. Mingdao suddenly saw Huizhi, who told him, "In life, I could not abstain from meat, and now I have fallen into the Hell of Hungry Dogs. Let this be known as evidence of

retribution.”

This story vividly conveys the Buddhist concept of karma and retribution, underscoring the existence of hell and the consequences of one's actions. Through such narratives, Buddhist teachings on the afterlife and moral conduct became deeply ingrained in Chinese folklore, marking a significant cultural transformation.

The tale of Zhu Huizhi stands out as one of the earliest narratives to depict retribution in hell for wrongdoers, providing a tangible instance of karmic justice. Traditional stories often described someone dying, returning after a period, and recounting various rewards or punishments they received, asserting the truth of Buddhist teachings without detailing the specific nature of these retributions. Zhu Huizhi's story, however, offers a clear example: failing to abstain from meat leads one to the Hell of Hungry Dogs after death. This narrative aligns with Mahayana Buddhist scriptures in China, which prohibit meat consumption for monks, effectively serving as a regulatory edict to enforce this precept.

The doctrine of hell began to influence reality, exerting a powerful cultural impact. During the rule of aristocratic families, hell stories were used to curb their power. For instance, *Records of the Hidden and Visible Realms (You Ming Lu)* by Liu Yiqing of the Liu Song dynasty recounts the story of Wang Ming'er. Wang returned home a year after his death, gathered his relatives, and described the affairs of the underworld. He instructed the villagers to demolish the temple of Deng Ai, claiming that Deng Ai was being tortured in the underworld and thus lacked divine power. He also stated that General Wang Dao had been transformed into a cow, and Huan Wen was imprisoned in hell. These narratives aimed to check the unruly behavior of the aristocracy by illustrating the severe punishments awaiting them in the afterlife.

Buddhist monks also leveraged hell narratives to reform evil individuals. During the Three Kingdoms period, monk Kang Senghui preached to Sun Hao, the ruler of Wu, who was notorious for his cruelty. Kang Senghui did not delve into complex Buddhist doctrines but focused on the straightforward

concept of karmic retribution: evil deeds lead to prolonged suffering in hell, while good deeds bring eternal joy in heaven. Although introduced during the Three Kingdoms period, this hell doctrine did not develop much until the Southern dynasties when it flourished through ghost stories. Stories in *You Ming Lu* about aristocrats suffering in hell served as a warning to the wealthy and powerful who acted unjustly.

Compared to the earlier, simpler stories, Zhao Tai's narrative provides a detailed and comprehensive depiction of hell, marking a milestone in Chinese hell mythology. Let's delve into Zhao Tai's extraordinary encounter in the Underworld:

Zhao Tai, courtesy name Wenhe, was from Beiqiu in Qinghe. Despite being invited to serve in the government, he chose to dedicate himself to studying the classics, earning widespread respect in his community. At the age of thirty-five, on the night of the 13th of July in the fifth year of the Tai Shi reign of the Song dynasty, Zhao Tai suddenly experienced severe chest pain and died. His body remained warm, and after ten days, he suddenly revived, asking for water and then recounting his extraordinary experience:

Upon his death, Zhao Tai was taken away by two yellow horse riders, escorted by two soldiers. They led him eastward, eventually arriving at a grand city with towering iron walls. They entered through the western gate and proceeded through a series of black gates and passed by numerous buildings filled with men and women. The chief official, dressed in a black robe, held a list with Zhao Tai's name at the thirtieth position. He was brought before the magistrate who, seated on the western side, verified his identity before directing him through another black gate.

Inside, a figure dressed in crimson called out names and questioned each person about their deeds and sins before death, as well as any virtuous acts they had performed. Everyone's responses varied, and they were reminded that six emissaries were keeping watch on their behaviors

before their death. The figure explained that a person may enter one of the three evil paths after death: Hell, the Hungry Ghost Realm, or the Animal Realm. Among all sins, killing is considered the gravest offense. By venerating the Buddha, observing the Five Precepts and the Ten Virtuous Deeds, and practicing charity with a compassionate heart, one can ensure rebirth in a blessed abode (i.e., a favorable realm), where a peaceful and tranquil life awaits.

Zhao Tai admitted that, unlike his father and brothers who held official posts with high salaries, he had stayed home studying without committing any significant wrongdoing. As a result, he was assigned the post of Water Official to supervise laborers. Over time, he was promoted to superintendent overseeing various hells, and given a horse and some soldiers to inspect the different realms of punishment.

Zhao Tai witnessed numerous forms of torture in hell. Some had needles piercing through their tongues, causing blood to flow all over their bodies; others, with disheveled hair and naked bodies, were dragged along, barefoot, by those holding large sticks, urging them on. They were forced to embrace red-hot iron beds and copper pillars, their bodies scorched and burned, only to be revived and burned again. Some were thrown into blazing furnaces and giant cauldrons, where they were boiled and torn apart, their bodies dismembered and tossed about by the boiling liquid. Ghosts stood by, watching, as hundreds lined up, awaiting their turn to enter the cauldron, clinging to one another and weeping. There were also trees of swords, their roots, stems and branches all made of blades. People climbed these trees, seemingly in joy, but as they ascended, their bodies were sliced and diced, falling apart in pieces. Tai saw his grandparents and two younger brothers in this prison, and they wept upon seeing each other. As Tai exited the prison gate, he saw two individuals carrying documents who spoke to the prison officers, saying that three people were to be released due to their family's act of hanging banners and burning incense at the pagoda temple to absolve

their sins. Shortly after, Tai saw these three individuals released from the prison, their clothes plain and intact. They headed south towards a place called Great Illumination Mansion, which had three gates adorned with brilliant red decorations. Tai followed them inside and saw a grand hall adorned with treasures, dazzling lights, and beds made of gold and jade. There, a divine figure of extraordinary appearance and unparalleled beauty sat on a throne, with numerous monks standing respectfully beside him. When the warden arrived and paid homage, Tai asked, "Who is this person whom the warden respects?" The officer replied, "He is known as the World-Honored One, the Teacher of Deliverance, who wishes to bring all beings out of the evil paths to hear the scriptures."

At that time, there were 1,090,000 people who had escaped from hell and entered the hundred-mile city, being the followers of the teachings. Though their progress varied, they were still destined to attain liberation. Therefore, the scriptures were expounded, and within seven days, according to the number of good acts they had or evil acts they committed during their life, they were given different endings. Before Tai left, he witnessed ten people ascend into the void and disappear.

After witnessing the scenes in the grand hall, Zhao Tai was taken to another city called "Transformation City," where those who had completed their punishments in hell underwent further transformations. The city had thousands of simple houses and streets. In the center stood an imposing building. Officials reviewed records to determine the souls' next forms based on their earthly deeds, announcing: "Those who had killed were turned into mayflies, living short lives. Thieves were transformed into pigs or sheep to be slaughtered. Adulterers became cranes or deer. Liars were turned into owls. Those who refused to repay debts became donkeys, mules, or horses."

After completing his inspection, Zhao Tai returned to his position as Water Official. The chief official asked him, "You are the son of

a noble family. What sins have brought you here?” Zhao Tai replied, “My grandfather and brothers all held high-ranking positions. I was nominated to a government office but did not take the position. I have devoted myself to studying good deeds and have not committed any evils.”

The chief responded, “You are without sin, which is why you were appointed Water Official Superintendent. Otherwise, you would have been no different from those suffering in hell.” Zhao Tai then asked, “What actions lead to a blissful afterlife?” The chief said, “Only those who are devout followers of the Dharma and diligently observe the precepts would get a blissful reward and no punishment after death.”

Zhao Tai inquired further, “If someone committed sins before following the Dharma, can these sins be absolved after they start practicing?” The chief answered, “Yes, all sins are absolved.” The chief then reviewed Zhao Tai’s lifespan and found he had an additional thirty years to live, so he was sent back to the world of the living. Before parting, the chief instructed, “Having seen the punishments in hell, you must inform the living so they may do good. Good and evil follow a person like a shadow; one must be cautious.”

At the time of Zhao Tai’s return, around fifty to sixty relatives and friends were waiting by his side. They all heard his account. Zhao Tai documented his experience and shared it with others. This event occurred on the 23rd of July in the fifth year of the Tai Shi reign. Zhao Tai then held a grand Buddhist ceremony, inviting monks and urging his family to follow the Dharma and practice diligently.

The story of Zhao Tai spread, and many people came to visit and hear about his experiences in the underworld. Notable figures such as Taizhong Minister Wu Cheng Sun Feng and Changshan Marquis Hao Boping were among those who gathered at Zhao Tai’s home. After hearing his tale, they were all filled with fear and decided to follow the Dharma.

This extensive and intricate tale vividly portrays the underworld, marking the first clear depiction of hell in Chinese folklore. While the form may be an old bottle, it is filled with new wine—traditional hellish punishments are now intertwined with Buddhist mythology. The path to liberation is revealed through adherence to Buddhist teachings. The introduction of the “World-Honored One” in the grand hall is a significant addition, further enriching the content of Chinese mythology.

The story of Zhao Tai reminds one of Dante’s *Divine Comedy*, though the opened gates of hell in Zhao Tai’s tale are meant to urge people to embrace Buddhism, while Dante’s journey critiques the sins of medieval society. The structure of Zhao Tai’s inspection of hell and Dante’s tour bears significant similarities, despite Zhao Tai’s narrative being much shorter. The breadth of information within Zhao Tai’s story is truly remarkable.

In Zhao Tai’s story, the “Judge of the Underworld” is not yet referred to as the King of Hell (Yama), but seems to have evolved from the deity of Mount Tai, as the deity of Mount Tai doesn’t manage such extensive affairs, indicating that the introduction of Buddhism expanded the deity’s role, making him a transitional figure in the governance of the Buddhist hell.

Zhao Tai’s story appears in a “quasi-historical” form, featuring specific times, places, and characters to narrate a “true” story. This sense of authenticity is necessary for myths; they shouldn’t seem too incredulous at the beginning. Additionally, for Buddhist stories to be accepted by the Chinese, they need to adapt to Chinese culture. In this story, even the “World-Honored One” shows respect to the Judge of the Underworld, satisfying a certain Chinese sense of pride. This cultural accommodation contributes to the story’s success.

If a culture is overbearing, it is difficult for another culture to accept it; however, by adopting a humble and modest approach, it is more easily embraced. This is the secret behind the powerful impact of a sugar-coated bullet. In Zhao Tai’s story, a great deal of Buddhist content is conveyed, but the story takes place in China and is told by Chinese people, making it sound very familiar. This is why it succeeded, and hell subsequently became a deeply

influential religious concept to the Chinese.

We are not focusing on the cultural value and significance of introducing the concept of hell to China here. Instead, what's worth noting is the successful spread of this concept by Buddhism, thanks to its persistence and adaptability. Unlike superficial attempts to introduce foreign cultures that merely change the form but not the substance, Buddhism's approach allowed it to deeply influence and ultimately reshape Chinese culture.

Does Karma Work?

Despite the many stories Buddhist monks crafted about non-believers being killed by real ghosts, there were still skeptics. These skeptics not only rejected the existence of ghosts and gods but also didn't believe in Buddhism. Initially, they were engaged in debates with the monks about the existence of spirits and the afterlife. Later, they took more aggressive actions by destroying Buddhist temples and burning scriptures, prohibiting people from practicing Buddhism. Several major "Dharma disasters" throughout Chinese history significantly hindered the development of Buddhism.

Throughout Chinese history, several major "persecutions of Buddhism" significantly disrupted the development of the religion. By the Southern and Northern Dynasties, no other ideological force was culturally strong enough to curb the spread of Buddhism. However, the cultural dominance of Confucianism led the ruling authorities to exert political pressure, implementing administrative decrees to suppress Buddhism. In response to this new reality, how should ghost stories adapt?

During this time, ghost stories indeed took on a significant responsibility—they were tasked with protecting the faith as Buddhism faced a critical moment of survival. The nature of these ghost stories suddenly changed. They no longer focused merely on affirming the existence of souls and reincarnation but instead highlighted the boundless power of Buddhism, emphasizing that opposing it would lead to catastrophic consequences. The creation of these stories became more urgent because existing materials were insufficient, necessitating new compositions.

Examining the *Jing Ji Zhi* of *The Book of Sui*, we find a collection of such stories. Yan Zhitui's *Yuan Hun Zhi* (*Record of Resentful Spirits*) still exists. Other titles include Song Liu Yiqing's *Xuan Yan Ji* (*Record of Manifest Evidence*), Qi Wang Yan's *Ming Xiang Ji* (*Record of Manifestations from the*

Netherworld), Sui Yan Zhitui's *Ji Ling Ji* (*Record of Collected Spirits*), and Hou Bai's *Jing Yi Ji* (*Record of Honored Phenomena*), with some remnants still available. The Tang dynasty saw even more of such works, including *Ming Bao Ji* (*Record of Ghostly Retribution*), *Bao Ying Ji* (*Record of Retribution*), and *Xuan Shi Zhi* (*Record of the Mysterious Chamber*), making ghost stories a prominent genre.

These stories displayed the power of Buddhist scriptures and images. The reading of Buddhist texts and the worship of Buddha images demonstrated faith; not doing so was seen as a rejection of the faith. The theme of retribution began to focus on whether one believed in Buddhism. Believing in Buddhism was deemed good and brought good karma; rejecting it was considered bad and brought bad karma. Diligently reading the scriptures and worshipping Buddha images promised good karma, while failing to do so resulted in bad karma.

Diamond Sutra and *Lotus Sutra* are among the most influential Buddhist scriptures. Stories of retribution often mythologize these texts, suggesting that diligent recitation can bring divine protection. These stories typically involve individuals who, after death or a near-death experience, learn about the efficacy of these sutras in the netherworld, thereby enhancing people's faith and drawing more followers to Buddhism.

The *Diamond Sutra*, a Mahayana Buddhist text, is known by various translated names such as *Diamond Prajnaparamita Sutra*, *Diamond Cutter Prajnaparamita Sutra*, and *Vajracchedika Prajnaparamita Sutra*. Despite the differences in translation, the titles all include the terms "Diamond," "Prajna," and "Paramita." "Diamond" signifies the strength and sharpness of Buddhist teachings, capable of cutting through delusions; "Prajna" refers to wisdom; and "Paramita" means reaching the other shore. These names alone indicate the extraordinary nature of sutra. The text ends with the famous four-line verse: "All conditioned phenomena / Are like a dream, an illusion, a bubble, a shadow, / Like dew or a flash of lightning; / Thus we shall perceive them." This verse has had a profound influence. The *Diamond Sutra*, embodying

the concept of emptiness and wisdom, teaches the principle of non-self in all phenomena and is concise enough for widespread dissemination. Buddhists believe that reciting this sutra can dispel misfortune and bring blessings, and copying the sutra yields infinite merit. Such extreme reverence has imbued the sutra with mythic qualities, leading to numerous ghost stories about the *Diamond Sutra*.

Forest of Pearls in the Garden of Dharma is a Buddhist anthology that, after explaining a Buddhist doctrine, provides numerous Chinese stories as evidence. Many stories about the miraculous power of sutras and images originate from the Southern and Northern dynasties to the Sui and Tang periods. For example, one story involves a monk named Zhao Wenxin, who, upon entering the underworld, met a monk who had diligently recited the *Diamond Sutra* and was thus praised by Yama (the king of hell) and swiftly led to heaven. Another story in *Records of Retribution* tells of a Sui dynasty man named Murong Wence who regularly recited the *Diamond Sutra* and was resurrected three days after death because Yama was so impressed with his devotion that he sent him back to the living. The same text also recounts the tale of Yao Dai, who diligently recited the *Diamond Sutra* and copied it a hundred times for his mother. After consuming beef, Yao Dai died and was questioned by Yama about eating meat. Upon hearing that Yao Dai recited *Diamond Sutra*, Yama allowed him to return to life. A butcher once asked Yao Dai to write out a copy of the *Diamond Sutra*, and after the butcher's death, his chains reportedly fell off, and he ascended to a better realm.

Stories of *Lotus Sutra's* immense power are equally remarkable. One tale tells of Su Chang, appointed as governor of Bazhou, traveling by boat on the Jialing River when a storm capsized the vessel. Except for one person, all sixty others were drowned. The sole survivor was Su Chang's concubine, who frequently read the *Lotus Sutra*. She had the sutra with her on the boat and held it above her head, vowing to live or die with it. Miraculously, she was washed ashore and survived the ordeal alone.

The *Lotus Sutra* not only brings blessings to the living but can also

alleviate the suffering of souls in the afterlife. According to *Records of Retribution*, during the Sui dynasty, a traveling monk sought lodging at a temple beneath Mount Tai, known for being haunted. Despite the ghostly activity, the monk stayed overnight and encountered a deity who discussed the fates of the deceased. The monk inquired about the fate of two of his deceased fellow students. The deity revealed that one had been reborn as a human, while the other, heavily burdened by sins, was still suffering in hell. The deity took the monk to witness his friend's torment in the fiery depths, where he saw his friend writhing in agony amidst the flames, with his flesh burning and a stench of scorched flesh filling the air. The monk asked if there was any way to save his friend. The deity suggested writing a copy of the *Lotus Sutra*. The next day, the monk diligently wrote out the sutra, and upon returning to the temple that night, the deity informed him that his friend had been liberated from hell and reborn as a human.

Another extraordinary tale from *Record of Manifestations* highlights the power of the *Lotus Sutra*. It is said that those who diligently recite the *Lotus Sutra* in life will find their lips and tongues preserved after death. The story tells of a monk who, while wandering near Lanxi, suddenly heard the sound of the *Lotus Sutra* being recited. The night was clear, with a bright moon and twinkling stars, and the surrounding area was completely deserted. Frightened, the monk reported the incident to his fellow monks. The following night, a group of monks accompanied him to investigate. They discovered that the chanting emanated from underground. When they dug at the spot the next morning, they unearthed a skeleton with the flesh long decayed, but the lips and tongue remained fresh and moist. The monks placed the remains in a stone casket and stored it beneath the Thousand Buddha Hall. From that day on, the sound of the *Lotus Sutra* being chanted could be heard from the casket every night, attracting thousands of onlookers from Chang'an. Such a miraculous phenomenon defies ordinary comprehension.

While diligent recitation of the sutra brings blessings, failure to do so or slandering Buddhism invites misfortune. Yu Xin, a prominent writer from the

Northern dynasties, was known for his disbelief and criticism of Buddhism. After his death, it was said that Yama, the king of hell, condemned him as a great sinner and transformed him into a tortoise. Witnesses in the underworld claimed to have seen this tortoise.

Such stories to sanctify Buddhist scriptures may seem to enhance Buddhism's stature, but in reality, they often provoked even harsher reactions from its detractors. Critics continued to burn sacred texts and destroy Buddhist statues, showing little regard for the supposed miracles. The persecution of Buddhist images was even more severe.

Buddhist doctrines are Recondite and hard to be grasped by the general public. Thus, in addition to extensively printing Buddhist scriptures, Buddhists also created images of the Buddha and Bodhisattvas to aid in their teachings. They depicted stories from the scriptures in artworks, known as "sutra transformation paintings," such as those found in the murals of Dunhuang depicting the Western Pure Land transformation, the Eastern Medicine Master Pure Land transformation, and the Maitreya Pure Land transformation. Sculptures and paintings played a crucial role in the spread of Buddhism, leading to the term "Iconic Buddhism." Without these images, Chinese Buddhism would not be what it is today. In Chinese Buddhism, these images are not merely tools for conveying Buddhist teachings; they are embodiments and representations of the Buddha, imbued with immense spiritual power.

The establishment and destruction of Buddhist images mark the ebb and flow of Buddhism. During periods when Buddhism was flourishing, temples were numerous, such as the "Southern Dynasties' Four Hundred and Eighty Temples" adorned with golden Buddha statues and filled with the scent of incense. Conversely, during periods of suppression, temples were demolished, and Buddha images were smashed. The fate of these images became a symbol of the struggle between supporters and opponents of Buddhism. To defend the supreme status of these images, Buddhists used ghost stories to counter those who opposed them, imbuing these tales with the mission of protecting

the faith.

One such story from *Records of Divine Retribution* features a man named Liu Ling:

During the Song dynasty, there was a man named Liu Ling, whose origins were unknown. He lived in Jinling's Eastern Road Village and was devoted to Buddhism, setting up a small shrine in his home and frequently holding feasts and gatherings. On March 27th of the ninth year of the Yuanjia reign, his father suddenly passed away. Several local priests claimed that three more family members would soon die. A neighbor named Wei Ju, a Daoist priest who often used charms to deceive the villagers, told Liu Ling, "Your family experiences misfortunes because you do not worship the right gods. If you convert to the Daoist path, you will receive blessings; if you do not, your family will be destroyed." Ling then invited Wei Ju to his home and ceased his Buddhist practices. Wei Ju said, "You must burn your Buddhist scriptures and statues to eliminate the disaster." Ling complied and set fire to the shrine, which burned for an entire day, reducing the building to ashes but leaving the scriptures and statues unharmed. The statues emitted a red glow at midnight. The twenty Daoist priests present were so frightened by this divine sign that many of them quietly left. Wei Ju and his followers, however, were undeterred. They performed rituals with disheveled hair, holding knives, declaring, "We will banish the Buddha back to his original land; he must not stay in China to harm the people." Liu Ling, standing nearby, felt as if he were being beaten and fell to the ground. His family helped him up, but he could barely breathe and was paralyzed. Wei Ju developed a festering sore, losing three pints of blood daily, and died within a month after suffering greatly. His followers also developed leprosy.

This story appears to be about the destruction of Buddhist scriptures and images due to Daoist manipulation, but it reflects the broader cultural conflict between China and foreign influences. Wei Ju's statement, "The Buddha

must be banished back to his original land; he must not stay in China to harm the people,” mirrors the general attitude of those opposed to Buddhism. This sentiment was shared not only by Daoists but also by Confucianists. However, Buddhists, recognizing Confucianism as the dominant cultural force, chose to target Daoists instead, depicting them as suffering from terrible retribution like festering sores or leprosy. While these stories might spiritually bolster the faith of those with weak minds, they would likely only amuse stronger opponents. Despite the proliferation of such tales, the anti-Buddhist movements reached their peak and were not mitigated by these stories. This suggests a principle: the louder the outcry, the weaker the actual confidence. The triumphant narratives often mask underlying fears and failures, revealing one of the functions of myth: to cover up defeats with tales of “victory.”

During this period, the proliferation of supernatural ghost stories concocted by Buddhists ultimately damaged the image of Buddhism. Extremes led to reversals, and Buddhists’ overemphasis on the supernatural aspects of scriptures and images began to diverge from the core principles of Buddhism. The supposed miracles associated with scriptures and images came into irreconcilable conflict with the doctrine of karma, which teaches that good deeds are rewarded and evil deeds are punished. If it is true that evildoers should face retribution, then the idea that merely creating a Buddhist image could instantly liberate one from hell or save one from execution undermines this principle. Why would anyone believe in karma if they could sin freely and then simply create an image or chant a few prayers to escape punishment? This greatly diminished the effectiveness of the Buddhist doctrine of karma in promoting moral behavior.

From the Northern and Southern dynasties onward, ghost stories increasingly deviated from their original purpose of encouraging virtue and discouraging vice. Evil became synonymous only with destroying Buddhist statues and scriptures, while good was defined solely as reverence for Buddhism. The miraculous efficacy of Buddhist scriptures and images was tied not to the moral actions of individuals but to their level of faith. The greatest

good was to constantly recite scriptures and create Buddhist images, which essentially equated virtue with faith. Believing in Buddhism could supposedly transform misfortune into fortune and absolve all sins, while not believing and destroying scriptures and images would inevitably lead to disaster. According to these stories, one could influence the judgments in the afterlife merely by creating scriptures and images, thereby freeing themselves or others from hell. Such tales placed Buddhism in a self-serving and unprincipled position, leading to counterproductive results.

The tales of miraculous scriptures and images seemed to suggest that those who obey prosper, and those who defy perish, with no clear distinction between the right and the wrong. They implied that simply by ceasing to commit evil acts and professing faith in Buddhism, one could instantly attain enlightenment. The overemphasis on the miraculous nature of Buddhism led to skepticism among people. “Too much spiritual power,” it seemed, was no power at all. People grew weary of these “miraculous” tales, resulting in a backlash. After the wave of miraculous stories passed, Buddhist faith in China gradually became more subdued. This demonstrates that fabricating stories alone cannot fundamentally change people’s beliefs; the impact of myths has its limitations.

Book Three Heaven and Earth

The Mythology of *The Songs of Chu*

The mythology in *The Songs of Chu* (*Chu Ci*) is a unique system. By the time of its creation, China had already entered the era of civilization. The state of Chu had experienced a period of economic prosperity and military strength, long past the era of primitive living. Ancient myths had been circulating in Chu for a long time. The myths in *The Classic of Mountains and Seas* created by the Chu people are evidently more primitive compared to those in *The Songs of Chu*. However, as Franz Boas said, “It seems as though the world of mythology is established only to be shattered, so that a new world can be built from the fragments.” No mythological system of one era or one nation can be completely adopted by another era or another nation. Although the myths in *The Classic of Mountains and Seas* are the source of *The Songs of Chu*, they look very different from each other. Chu mythology underwent a tremendous transformation in its own environment. Myths in *The Classic of Mountains and Seas* were disintegrated, and *The Songs of Chu* myths emerged in a new form.

During the era when *The Songs of Chu* was created, the rational philosophies of the various schools were widely disseminated in the central plains of China. People, under their influence, began to doubt or even reject old myths. The introduction of these philosophies into Chu perhaps brought

about the transformation, causing the ancient myths of Chu to be challenged. The revered status of gods was questioned, while the view that humans are the dominant force in the world gained wider acceptance. Consequently, the fearsome faces of gods changed. In *The Songs of Chu*, gods transformed from terrifying figures into passionate, secular men and women, a clear feature of old myths evolving into new ones.

The rational spirit of the various philosophical schools not only penetrated Chu but also brought foreign myths. The stories of gods from other cultures, vastly different from the customs and spiritual beliefs of the Chu people, caused significant upheaval in them. This led to intense cultural conflicts in mythology, forcing Chu mythology to change its posture and confront foreign myths, further altering the appearance of the gods.

The elevation of human status and the establishment of individual personality were characteristics of that era. In the North, there is the image of Mencius's "Great Man," while in the South, Qu Yuan drew upon the spiritual elements of national mythological archetypes to shape the characters with unique personalities. As a result, the transition from mythological archetypes to personal identity is clearly reflected in the *Songs of Chu*, where personal will transforms the nature of the myths.

The myths in *The Songs of Chu* have a dynamic feature, taking a lively and new appearance. The elevation of human status altered the appearances of gods; cultural conflicts prompted the reconstruction of myths; and the establishment of individual personality further transformed the mythology. These are the elements of change demonstrated in *The Songs of Chu*.

Rise of Humanity and The New Divine World

In *The Classic of Mountains and Seas*, we encounter the gods of the four directions:

God of South: Zhu Rong, with a beast's body and a human face, riding two dragons.

God of West: Ru Shou, with a snake on his left ear, riding two

dragons.

God of North: Yu Jiang, with a human face and a bird's body, adorned with two green snakes as earrings and stepping on two green snakes.

God of East: Gou Mang, with a bird's body and a human face, riding two dragons.

Clearly, these are remnants of primitive mythology, where humans were essentially enslaved by the gods they created. This reflects humanity's lack of self-confidence, so they turned their awe of nature into god worshipping. Gods, as human opponents, were worshiped out of the fear that calamities would befall them if they failed to show reverence. *The Classic of Mountains and Seas* extensively documents such rituals of worship.

The earliest gods were seen as alien beings; they were quite different from humans in appearance and behavior. These bizarre gods, such as those with bird heads and dragon bodies or dragon heads and bird bodies, were imbued with mysterious powers. The appearance of some of these divine beings was believed to herald great droughts or impending wars. Under such divine dominance, humans were powerless, resorting to offering elaborate sacrifices to appease the gods.

In *The Classic of Mountains and Seas*, the images of gods are quite bizarre. The original mythological depiction of the later beautified Queen Mother of the West (Xi Wangmu) is: "There is someone with a headdress of jade, tiger's teeth, and a leopard's tail, called the Queen Mother of the West" (from *The Classic of the Great Wilderness: The West*). "The Queen Mother of the West appears human, with a leopard's tail and tiger's teeth, and she howls fiercely. She has disheveled hair and a jade headdress. She is in charge of heavenly plagues and the five destructive elements" (from *The Classic of the Western Mountains*). In this text, the Queen Mother of the West is depicted as a female demon, a menace to human survival. Even figures later recorded to be human kings have extraordinary experiences in *The Classic of the Western Mountains*. For example, Qi, later known as the founding ruler of the Xia dynasty, is

described in *The Classic of the Great Wilderness: The West* as: “in the southwest of the sea, south of the Red River, and west of the Flowing Sands, there was someone with two blue snakes as earrings, riding two dragons, called Xia Hou Qi. Qi ascended to heaven with three concubines and obtained *Nine Variations* and *Nine Songs*.” This portrayal makes him seem more like a shaman traveling between heaven and earth rather than a human emperor.

There is considerable debate in academic circles about whether *The Classic of the Western Mountains* was authored by people from Chu. However, regardless of its authorship, it is indisputable that it predates and influences *The Songs of Chu*. Gu Jiegang argued that ancient Chinese mythology had two main systems: the Kunlun system and the Penglai system. *The Classic of Mountains and Seas* systematically records the Kunlun mythology. The mythology in *The Songs of Chu* adopted elements from the Kunlun mythology. The relationship between the mythologies of *The Classic of Mountains and Seas* and *The Songs of Chu* has been noted by many scholars from Wang Yi onwards. The mythological content of *The Songs of Chu* clearly inherits from *The Classic of Mountains and Seas*. For instance, the story of Xia Hou Qi stealing *Nine Variations* and *Nine Songs* is mentioned in *The Songs of Chu*: “Qi borrowed *Nine Variations* and *Nine Songs*” (*Heavenly Questions*) and “Qi borrowed *Nine Variations* and *Nine Songs*, while Xia Kang enjoyed himself” (*On Encountering Sorrow*). This continuity in content highlights the close relationship between the two texts. Some, like Zhu Xi, even mistakenly suggested that *The Classic of Mountains and Seas* was written based on *The Heavenly Questions*, inadvertently affirming the source of Chu mythology.

However, the mythology in *The Songs of Chu* differs from that in *The Classic of Mountains and Seas*. In *The Songs of Chu*, except for the remaining dragons on which the immortals ride, the bizarre images of beast-like gods are no longer seen. Consider the gods in *Nine Songs*:

Xiang Jun (Lord Xiang): “So beautiful, delicate, and refined.”

Xiang Furen (Lady Xiang): “Her eyes, so lovely, fill me with sorrow.”

Lesser Minister of Fate: "The hall is full of beautiful people, and suddenly I am alone with you, our eyes meet."

Mountain Spirit: "With a loving glance and a beautiful smile, you admire my grace and charm."

These gods are more like earthly beauties than celestial beings. The once fearsome deities have transformed into graceful ladies, capable of exchanging loving glances with mere mortals. *Nine Songs* depicts harmonious scenes of human-divine interactions, which are more about self-entertainment than divine veneration. The poem *Lord of the East (Dongjun)* presents a grand festival:

With sounds and sights delighting the people, the spectators linger, forgetting to return home. The zithers and drums play in unison, and the flutes and pipes produce melodious tunes. The enchanting sounds and graceful movements charm the spirits, drawing them down. Spirits descend, blocking out the sun.

Here, it explicitly states that not only are the gods entertained, but also are the people. The audience, captivated by the mesmerizing performances, forgets to leave. The allure of the priestesses stirs their imaginations. In many poems, gods are no longer aloof and unapproachable; instead, they share human vulnerabilities, particularly the pangs of love. Thus, gods essentially become human.

The temperament of the Chu people differs from the bold and straightforward nature of the northerners; they are often deep and melancholic, especially in terms of romantic relations. Once the verses from *The Book of Songs* cross the Yangtze and Han rivers, they adopt a different tone. Love is portrayed as profound and melancholic, with beauty being as elusive as reflections in the mirror or the moon in the water, leaving behind endless sorrow. Apart from *The River God*, the love stories of the divine in *Nine Songs* are mostly tragic, filled with deep longing and endless yearning. A famous monologue by the Mountain Spirit reflects this:

I dwell in a secluded bamboo grove, never seeing the sky,

*The path is perilous and lonely, and I come alone.
 Standing alone on the mountaintop,
 With clouds swirling below.
 The fragrance is faint as daylight dims,
 The east wind stirs, and divine rain falls.
 Linger in this longing, forgetting to return,
 The year is late, who will grace me with their presence?
 Gathering three delicate herbs from the mountains,
 Stones are rugged, and vines entangle.
 Resenting the young lord for forgetting to return,
 You think of me yet cannot find solace.
 Mountain folk gather fragrant herbs,
 Drinking from stone springs, resting under pines and cypresses.
 You think of me but doubt it is true.
 Thunder roars, rain darkens the sky,
 Birds chirp at nightfall.
 The wind rustles, the trees sigh,
 Thinking of you brings only sorrow.*

This is one of the most poignant love poems, depicting not a divine romance but a mountain woman's deep inner turmoil after her lover fails to meet her. It illustrates that the love stories of gods in *The Songs of Chu* reflect the life of the Chu people. The humanization and secularization of deities mark a significant difference between the mythology in *The Songs of Chu* and the older myths.

The transformation of gods and the increasing self-esteem of humans are closely connected. Long-term observation and struggle with nature, coupled with social practices, made people doubt the power of gods and gradually realize that they themselves have ultimate control over their lives. Good fortune and misfortune are not entirely dictated by divine will but are consequences of human actions. Therefore, since the Spring and Autumn period, the idea of prioritizing humans over gods has been rising, as is

prominently reflected in *The Zuo Tradition (The Zuo Zhuan)*. For instance, in the sixth year of Duke Huan's reign, Ji Liang said, "The people are the masters of the gods. Hence, sage kings first benefit the people and then attend to the gods." In the fifth year of Duke Xi's reign, Gong Zhiqi stated, "Ghosts and gods are not close to people; virtue is what people depend upon." As people began to value humanity over divinity, this idea further developed into a human-centered perspective. In the sixteenth year of Duke Xi's reign, Shu Xing said, "Good and bad fortunes are determined by humans." In the twenty-third year of Duke Xiang's reign, Min Zima remarked, "Disaster and blessing don't come by themselves; they are summoned only by people." Thus, fortune and misfortune are viewed as matters of human agency rather than the influence of ghosts and gods, effectively negating the influence of deities. This popular idea also resonated strongly in the Chu region. The writings of Laozi, for instance, placed humans on par with Heaven and Dao: "Dao is great, Heaven is great, Earth is great, and humans are also great. There are four great things in the universe, and humans are one of them." This Chu philosopher's assertion holds profound significance in the exploration of human issues in the history of philosophy. With the disappearance of divine authority, the fearsome visage of gods faded, replaced by human forms.

Given the declining status of gods, why did the custom of god-worshipping remain prevalent in the Xiang and Yuan regions? God-worshipping rituals often survived when their function was changed and new content was included to give them new life. While there still were elements of entertaining and seeking blessings from gods, the aspect of human entertainment was strengthened, explaining why the Chu people had a fondness for them. Unlike the North, where sacrificial activities were mainly confined to temples, these practices were widely adopted among the populace in the Chu region. The gods were more secularized and were stripped away of those solemn and elegant traits, making them more like ordinary people with emotions such as joy, anger, sorrow, and happiness. People's fear of gods turned into fondness, thereby greatly expanding the functions of god-worship

rituals. Apart from expressing reverence to gods and seeking their blessings, there were other reasons for people to participate in these activities. Firstly, it provided an opportunity for them to enjoy the music and dance meant for the gods. Besides the description in *Dongjun (Lord of the East)*, *Lihun (Summoning of the Soul)* also showcases the grandeur of the festival with music and dance:

*The rituals are complete, and the drums gather,
The dancers change, and the beautiful ladies sing,
Guests and hosts join in harmony.
Spring orchids and autumn chrysanthemums,
Their splendor shall never fade.*

Here, the scene is filled with the fragrance of spring, beautiful women, melodious songs, and captivating dances, offering the audience sensory enjoyment. People thus integrated the reverence for gods with self-entertainment. Secondly, the god-worshipping ceremonies served as social events, providing a great opportunity for men and women to develop romantic relationships. Without the constraints of social norms, people could freely express and sing about love. The prevalence of this practice even influenced the gods. In *Nine Songs*, most deities engage in love affairs, either with other gods or humans, with deep and passionate emotions akin to those of mortals. Thus, god-worship gatherings resembled a grand social event as depicted in *The Book of Songs: Zheng Wei*, where gods, humans, and everyone involved were entwined in love, turning the rituals into significant social interactions.

Gods are transformed into humans, and god-worshipping activities become self-entertaining. This reflects the establishment of human autonomy. This change in the myths of *The Songs of Chu* demonstrates a new trend in the development of Chinese mythology. After *The Songs of Chu*, gods increasingly become more secularized, a natural progression in historical development. The fierce image of the Queen Mother of the West with a leopard's tail and sharp teeth disappears entirely in *The Songs of Chu*. She evolves from an ugly figure to a beautiful one. In *Tale of King Mu, Son of Heaven*, she is depicted as reciting poetry, refined and polite. In *Story of Emperor Wu of Han*, the Queen

Mother of the West discusses worldly affairs with the emperor and avoids talking about ghosts and gods. By the time of *Inner Biography of Emperor Wu of Han*, she becomes as beautiful as the Bodhisattva Guanyin:

The Queen Mother ascended the hall and sat facing east. She wore a golden robe with bright and colorful patterns, a graceful and solemn demeanor, a sacred sash around her waist, a sword at her side, and a phoenix crown on her head. She appeared to be about thirty years old, with a perfectly proportioned body, a serene and radiant presence, and an unparalleled beauty—a true divine being.

The evolution of the Queen Mother of the West, from a deity to a human and through interactions between humans and gods, follows the trajectory indicated in *The Songs of Chu*. The exchanges between Emperor Wu and the Queen Mother of the West revolved around seeking the elixir of immortality, reflecting a deep appreciation for life and a longing for longevity. This sentiment is already evident in *Nine Songs - The Great Master of Fate* from *The Songs of Chu*:

*Time passes swiftly, and old age approaches,
Growing distant from those we cherish.*

The desire to extend life and to draw close to the deity of fate foreshadows the later mythological quest for immortality. The love of life is a universal human emotion, and stories like Emperor Wu's meeting with the Queen Mother of the West demonstrate human desires. Indeed, these myths may exhibit a burgeoning individualism, which was a significant historical advancement at that time. It's not right to regard myths as sacred treasures while dismissing the logical progress of human spirit as worthless. Respecting individual sensual life is inherently about valuing humanity itself, marking a logical progression in history.

The Songs of Chu myths also reflect an emerging concept of longevity and even a degree of hedonism. The gods cherish life, long for love, and yearn for youth. For instance, the lament of the Mountain Spirit in *Nine Songs* "Who will admire me now that the year is ending?" is an early expression of

the universal human sentiment, “Who doesn’t cherish youth?” This resonates strongly with people. *The Songs of Chu* myths hint at a new dimension, altering the tone of old myths. From then on, myths began to celebrate human life.

Cultural Conflict and Pantheon Expansion

The awakening of humanity has driven the evolution of mythology, transforming it from mere objects of worship into expressions of human identity—a significant advancement. As different mythological systems evolve, they begin to reflect the unique spirit of each nation, marking a crucial stage in mythology’s development. Mythology reaches maturity when it fully embodies the national spirit. During cultural exchanges and conflicts, mythology faces new challenges, making its national characteristics even more pronounced.

The Spring and Autumn and Warring States periods were times of significant cultural prosperity in Chinese history. Interactions between the feudal states were frequent, with war and peace being the most dominant themes among them. These interactions were accompanied by cultural clashes and integrations. Various schools of thought emerged, each expressing and defending its views, creating a highly active intellectual environment. Mythological conflicts were equally intense. A look through *The Songs of Chu* reveals the rolling smoke of battles of that time.

Amid cultural conflicts, Chu mythology aimed to preserve the essence of its traditional myths. At its core, this mythological struggle was a clash of gods. Faced with the vague imagery and rough forms of their ancestral myths, Chu mythology needed to adapt, refining its depictions to present a more dignified image in response to powerful adversaries.

The Chu people revered the Sun God as their ancestor and embraced the Phoenix as their totem. For a long time, both were worshiped as divine entities, yet they were seen more as symbolic objects than anthropomorphic gods, lacking distinct divine personas. The arrival of foreign myths challenged this veneration, especially the northern myth of *Hou Yi Shooting the Suns*,

which deeply angered the Chu people. The conflict between the act of shooting the sun and the effort to counteract it became a central point of cultural clashes.

The story of *Hou Yi Shooting the Suns* depicts Hou Yi, a heroic archer, who saves the world by shooting down nine of the ten suns that were scorching the earth. This mythological tale, coming from the northern tribes, posed a direct threat to the Chu people's Sun God. In response, the Chu mythology had to evolve, reinforcing the divinity and untouchable status of their Sun God to defend against the cultural incursion. This evolution showed a trend of gods becoming more anthropomorphic and with human values, strengthening the cultural identity of the Chu people in the face of external cultural challenges.

The earliest mention of the story of shooting the suns is found in *Gui Cang* and *The Songs of Chu*. The story in *The Songs of Chu* is a reaction to this myth. Some believe that the tale of shooting the suns originated in the Chu state, which is incorrect. It is unlikely that the Chu people would create a story to insult their own ancestral deity, the Sun God.

The myth of Hou Yi shooting the suns has three major points: firstly, the concept of "ten suns appearing simultaneously"; secondly, the depiction of the suns scorching crops and killing vegetation, causing famine and suffering; thirdly, Hou Yi is portrayed as a hero. The disrespect towards the sun in this myth severely damaged the feelings of the Chu people. *The Songs of Chu* responded to this myth with a comprehensive rebuttal.

Heavenly Questions in *The Songs of Chu* initiates this challenge: "How could Yi shoot the suns? How could the crows lose their feathers?" It was said that there were crows in the suns, and when Hou Yi shot down the suns, the crows within also fell off, shedding their feathers. *Heavenly Questions* denies the possibility of Hou Yi shooting down the suns: how could Yi possibly shoot down the sun? How could the golden crows fall?

Northern myths claim that "ten suns appeared simultaneously." This idea is fundamentally different from what is Chu mythology. *The Classic of*

Mountains and Seas: The Great Wilderness East states: “In the Great Wilderness, there is the Valley of Tang, with a mulberry tree on it. One sun is about to set, while another is about to rise, all carried by crows.” The suns appear one by one, not all at once to scorch the earth. The sun performs its duties in an orderly manner, so how could it be guilty? The concept of “simultaneous appearance” is fundamental to the myth of the shooting suns, as it justifies the blame placed on the suns. If, as Chu mythology maintains, the suns appear one at a time, shooting them down would bring obvious darkness to humanity, making the act itself a crime.

The Songs of Chu mythology upholds its tradition, with *Summoning the Soul* continuing to assert that “the ten suns take turns appearing.” The difference between “simultaneous appearance” and “taking turns” underpins the conflict between these two mythologies.

The northern myth assigned several grave sins to the sun, accusing it of scorching crops and vegetation and causing widespread famine. In the northern regions, extreme heat could indeed bring disaster to people, thus their resentment towards the sun was quite understandable. However, this perspective did not hold in the Chu state. Geographically, Chu was a land of abundance, benefitting greatly from nature’s gifts. *The Book of Han* records the prosperity and happiness of the Chu people, highlighting their bountiful environment. With its majestic mountains and numerous rivers and lakes, Chu experienced a mild climate with ample rainfall, shielding it from the harshness of drought. To the Chu people, sunlight symbolized the benevolence of their ancestors, bestowing blessings upon their descendants. Their deep affection for the sun made any disparagement of it intolerable. *Heavenly Questions* directly counters the northern myth with a hymn of praise for the sun: “Where does the sun not shine, and where does the Candle Dragon illuminate? Without the glory of Xihe, how could the flowers of the Ruomu tree bloom?”

The Candle Dragon was said to illuminate the dark and sunless land of the northwest. Xihe was revered as the solar deity, and the Ruomu tree was a

divine tree associated with the sun. The poem suggests that the sun's radiance touches every corner of the world, rendering the notion of the Candle Dragon's light absurd. Without the sun shining, the flowers of the Ruomu tree would never bloom. This passionate praise of the sun's contribution to humanity's well-being serves as a powerful rebuttal to the myth of the suns being shot down.

This stance set the stage for a transformation in mythology. In this cultural clash, the images of two gods underwent significant changes: Hou Yi, a hero in the north and in *The Classic of Mountains and Seas*, became a villainous figure in Chu mythology; and the Sun God, previously an ambiguous figure, emerged as a radiant and noble hero.

Confucius, Zhuangzi, and Xunzi all mentioned Yi (Hou Yi) in their works, highly praising his archery skills. Initially, the people of Chu also held him in high regard. During the era when *The Classic of Mountains and Seas* was produced, the people of Chu had not yet heard of Hou Yi's "misdeeds" of shooting the sun. They regarded him as a messenger of the Supreme Deity, sent to earth to alleviate the people's suffering. *The Classic of Mountains and Seas: Classic of Regions Within the Seas* states: "The Emperor Jun gave Yi a red bow and white arrows to assist the lower states. Yi was the first to relieve the people of their many difficulties." Yi was clearly seen as a savior of humanity. His status in the heavenly realm was also very high; it is said that only this "Benevolent Yi" could come and go freely to the earthly capital of the heavenly gods on the Kunlun Mountain.

However, once Yi was labeled a hero for shooting the sun, the attitude of the people of Chu took a U-turn. In *Heavenly Questions*, the language became harsh:

"The emperor sent down Yi to exterminate the rebels of the Xia people. Why did he shoot at River God and marry his concubine from Luocheng?"

He hunted without restraint, feasting on the meat of wild beasts. Why did he offer the juicy meat to the emperor, but the emperor was

not pleased?”

First of all, the appellation changed. In *The Classic of Mountains and Seas*, he was called “Benevolent Yi,” but here he is called “Barbarian Yi.” The first two lines reflect what is recorded in *The Classic of Mountains and Seas*, but the latter two incidents are mentioned for the first time: one is that Yi, instead of relieving the people’s suffering, shot River God and took his wife; the other is that Yi hunted excessively and offered the meat to the emperor, who was displeased. The great hero turned into a rogue engaged in despicable acts. These stories were concocted by the people of Chu to vilify Yi, primarily because they were most outraged by: “How could Yi shoot the sun?” Yi violated the Chu people’s taboo. The fate of mythological figures who served cultural functions varied in different cultural contexts. For Hou Yi, who offended the Chu people’s taboo by shooting the sun, his fate was naturally tragic. In *On Encountering Sorrow*, he is further scolded:

“Yi indulged in hunting and pleasure, delighting in shooting at the seals and foxes. He disrupted the natural order and eventually met a bad end. Zhuo coveted his household.”

The Songs of Chu focused on Yi’s negative traits. *The Classic of Mountains and Seas* also recorded Yi’s heroic deeds in eliminating the monster Zaochi, but this heroic act was overshadowed by his shooting the sun. The hero turned into a rogue who abducted women and behaved recklessly.

In *The Classic of Mountains and Seas*, the ten suns are described as a group of children whose mother, Xihe, bathes daily in the Sweet Pool. *The Classic of Great Wilderness: South* states: “Beyond the southeast sea, between the Sweet Waters, there is a woman named Xihe, who bathes the suns in the Sweet Pool. Xihe is the wife of Emperor Jun and gave birth to ten suns.” How could these children withstand Yi’s powerful bow and arrows? To shatter the myth of shooting the sun, a majestic Sun God is needed. Thus, the Sun God evolves from a child into a towering and dignified hero. A brand-new Sun God emerges, standing proudly in the mythological world of Chu, and he is Dongjun, Lord of the East.

In ancient Chinese mythology, the figure of Dongjun is the most radiant. The chapter *Dongjun* in *The Songs of Chu* opens with a grand scene: “The dawn rises in the east, illuminating my window and the mulberry tree.” The entire world is suddenly bathed in light as Dongjun makes his entrance:

“Clad in azure clouds and adorned with white robes, he raises his long arrow to shoot the heavenly wolf. He wields his bow and descends in triumph. He lifts the Northern Dipper to drink cassia wine. He takes his reins and soars high; the fragrance fills the air as he travels eastward.”

The Sun God is depicted as a handsome and dashing hero, skilled in martial arts and possessing a bold and generous character. He shoots down the arrogant Sirius, unable to contain his joy, and then drinks heartily before flying back east. Reading this, one feels a surge of heroic spirit. According to Hong Xinzhu’s *Supplementary Annotations*, citing *The Book of Jin: Astronomical Records*, Sirius is described as a “wild general, symbolizing invasion and plunder.” Thus, Dongjun’s act of shooting it down is portrayed as a righteous deed for the peace of humanity. In contrast, Yi’s act of shooting River God and abducting his wife from Luocheng is seen as the behavior of a rogue.

Dongjun diligently and consistently brings light and warmth to the world, whereas Yi is depicted as excessive in hunting and morally corrupt. The contrast in their actions and characters is stark. In the face of Dongjun’s radiant image, Yi becomes a despicable clown. Dongjun’s image, both morally and in terms of grandeur, completely overshadows Yi. The portrayal of Dongjun shooting arrows is greatly exaggerated by the Chu people, with long arrows and bows symbolized by celestial constellations. The bow, known as Heavenly Bow, is a constellation governing thieves, representing an invincible weapon. Dongjun drinks from a ladle shaped like the Big Dipper, further demonstrating his majestic presence capable of intimidating demons. This is the mature Sun God, symbolizing the vibrant, resilient spirit of the Chu people. The myth of Yi shooting the sun is thus thoroughly debunked.

The ancestor of the Chu people is Zhurong (God of Fire), who is both

a sun god and an embodiment of the phoenix. The sun and the phoenix were originally one entity. *White Tiger General Principles: Five Elements* states that the southern god Zhurong “is essentially a bird, with the Li trigram representing the phoenix.” The phoenix is associated with fire, as is the sun god in the system of the five elements. The southern element is fire, its emperor is Yan Emperor, its deity is Zhurong, and its beast is the vermilion bird, which is also a phoenix. Given that the south is associated with fire and the phoenix is also known as the firebird, Zhurong being an incarnation of the phoenix is undisputed.

In Chu mythology, the sun, phoenix, and fire are closely intertwined, with the phoenix serving as the totem. Just as they worship the sun, their reverence for the phoenix also embodies a sense of ancestral worship. Glorifying the phoenix is akin to glorifying themselves, and the phoenix’s victory over opposing totems signifies the triumph in the human world. The conflicts between nations are not only military but also cultural. The fights between totems in ancient times carried the same importance as the combats in real life. During the Warring States period, the image of the phoenix in Chu had matured, evolving into a personified deity and becoming a symbol of auspiciousness and victory for the Chu people.

According to Zhang Zhengming’s statistics, Qu Yuan mentions the phoenix 14 times in *The Songs of Chu*. Out of these, it appears 6 times as an embodiment of truth, goodness, and beauty, and 7 times as a divine bird that communicates with the heavens. This count does not include numerous instances where the phoenix is described without being explicitly named. Interestingly, the dragon, a revered creature in other cultures, is portrayed less favorably in *The Songs of Chu*. Of the 23 mentions of dragons in Qu Yuan’s writings, 14 depict them as laboring beasts, pulling chariots or boats, accounting for more than half of their appearances. The remaining instances show them either as ordinary creatures or malevolent beings, sharply contrasting with the esteemed phoenix. Zhang Zhengming discusses the reasons for this disparity in his *History of Chu Culture*:

“The original form of the dragon is either a snake or a crocodile, both of which the Chu people detest. Snakes are seen as evil, and crocodiles as ferocious. Wu and Yue, once formidable enemies of Chu, both take the dragon as their totem, further deepening the Chu people’s aversion to dragons.”

This preference for the phoenix over the dragon has profound political significance. In the embroidery patterns unearthed from Chu, the dragon is often depicted as being defeated by the phoenix, indicating the phoenix is the protector of the Chu nation. The reverence for the phoenix in *The Songs of Chu* extends this national spirit.

Chu customs included a strong belief in spirits and frequent rituals, especially during times of political and military crisis, when large-scale sacrificial ceremonies were held to seek divine assistance against enemies. *Nine Songs* emerged from such ritual activities. The phoenix, as an illustrious deity, was undoubtedly part of these ceremonies. However, readers are often surprised to find an abundance of dragons in *Nine Songs* and seemingly no phoenixes. In fact, the prominent deity Yunzhong Jun (Lord of the Clouds) is a personification of the phoenix.

According to Wen Yiduo’s research, the sequence of deities in *Nine Songs* starts with Donghuang Taiyi (The Great Eastern Emperor), followed by Dongjun (Lord of the East), and then Yunzhong Jun (Lord of the Clouds). This order suggests that Donghuang Taiyi is the supreme deity of Chu, fittingly ranked first. Dongjun and Yunzhong Jun are often worshipped together, aligning with the Chu people’s traditions of sun and phoenix worship, and thus they follow closely after the supreme deity. The veneration of the sun involves sacrifices to Dongjun, while the reverence for the phoenix involves sacrifices to Yunzhong Jun.

Based on the external characteristics and habits of the divine bird phoenix, it is evident that Yunzhong Jun (Lord of the Clouds) is a phoenix deity. Yunzhong Jun is described as radiant and splendid, with the poem referring to him as “clad in splendid attire like a flower.” Wang Yi’s *Annotations*

state, “Splendid attire, meaning five-colored.” Hong Xingzu’s *Supplementary Notes* also explain it as “having patterns in five colors.” Yunzhong Jun’s colorful attire perfectly aligns with the characteristics of the phoenix. According to *The Classic of Mountains and Seas: Classic of the Southern Mountains*, “There is a bird, resembling a chicken, with five-colored patterns, named the phoenix.” Similarly, *The Classic of the Western Mountains* also mentions, “There is a bird, resembling a pheasant with five-colored patterns, named Feng Huang (phoenix).” The phoenix is thus known as the “five-colored bird” due to its five-colored patterns, which match the splendid attire of Yunzhong Jun. This indicates that Yunzhong Jun is indeed a manifestation of the phoenix.

At the end of the poem *Yunzhong Jun*, it states that Yunzhong Jun “roams freely in Jizhou and across the four seas,” providing valuable clues to his identity. Roaming in Jizhou and across the four seas are traits associated with the phoenix. *Huainanzi: Surveying the Obscure* describes the phoenix’s flight: “The phoenix’s flight represents supreme virtue... soaring to great heights, traversing beyond the four seas, passing through the sparse gardens of Kunlun, drinking from the torrents of Dizhu, hovering over the island of Mengsi, and roaming the territory of Jizhou, stepping lightly over Du Guang, entering the realm of the sun in restraint, with wings dipping into the Ruoshui River, and resting at night in the Wind Cave.” “Roaming freely in Jizhou” corresponds to “roaming the territory of Jizhou,” and “traversing the four seas” matches “soaring beyond the four seas.” The fact that both the phoenix and Yunzhong Jun travel through the same regions underscores their shared identity.

From the cultural role of the divine bird phoenix, we see that Yunzhong Jun assumes the responsibility of the phoenix, indicating that Yunzhong Jun is indeed a phoenix deity. As one of the cultural icons of the Chu people, the phoenix’s victory over the dragon is a sacred duty bestowed upon it by the Chu people. This is evident both in its portrayal as a divine being in paintings and as a personified deity in *The Nine Songs*. The poem *Yunzhong Jun* states, “The dragon is harnessed to the emperor’s chariot, and he roams freely, enjoying the journey.” Here, we see that the dragon is assigned the task of pulling

Yunzhong Jun's chariot, while Yunzhong Jun, in an imperial manner, enjoys the leisurely ride, displaying a conqueror's stance over the dragon. In *The Classic of Mountains and Seas*, the southern emperor Zhurong, a manifestation of the phoenix, "rides two dragons." Similarly, Yunzhong Jun is dragon-driven. Unlike other deities, Yunzhong Jun is described as wearing "imperial robes," befitting the status of the great god Zhurong. The Chu ancestors, who worshipped both the sun god and the phoenix as one, are represented in *The Songs of Chu* as the sun god Dongjun and the phoenix god Yunzhong Jun. Together, they supported the Chu people in their military and cultural struggles against foreign enemies, forming a strong cultural counterforce and being the spiritual backbone of the Chu people.

The Beginning of Individual Consciousness

The Songs of Chu undeniably embodies the spirit of the Chu nation, but it is also a collection of works by Qu Yuan and other writers. Therefore, the traits and thoughts of the poets also shape the poetry, giving personal reinterpretations of the myths.

Although the national spirit provides the foundation for the poets' development, their personal experiences and temperaments inevitably shape the myths. While these myths are rich in content, the poets' individual choices narrow the focus, thereby emphasizing certain themes. This interaction between myth and individual character is significant. The mythic spirit expressed by exceptional poets often gains public acceptance, not only because of the appeal of their poems but also due to the high regard in which these poets are held. As a result, individual contributions end up reshaping the myths. This cycle—where myths evolve from the collective to the individual and back to the collective—is a common pattern in the development of mythology. The evolution of the myths in *The Songs of Chu* exemplifies this process.

An individual's influence on mythology is shaped by their attitude toward mythic figures. Different people may have vastly different feelings of

admiration or disdain towards the same myth. Individuals often identify with and emulate their ideal deities, integrating the national mythic spirit into their personal character. Conversely, they reject deities they dislike. Through idealization and vilification, these deities undergo significant transformations.

In historical accounts, Gun does not have a favorable reputation. *The Book of Documents (Shujing)* states that Yao, listening to the people's opinions, tasked Gun with controlling the floods. After nine years of unsuccessful efforts, Yao executed Gun at Mount Feather, a decision that was widely approved as a just action. More detailed accounts of Gun's punishment can be found in *The Classic of Mountains and Seas*: "The floodwaters rose to the sky, and Gun stole the emperor's self-expanding soil to block the flood without the emperor's command. The emperor ordered Zhu Rong to kill Gun at Feather Altar." Similarly, *Discourses of States (Guoyu)* notes that Gun defied the emperor's orders and was killed: "In ancient times, Gun defied the emperor's orders and was executed at Mount Feather." In a class-based society, the emperor's authority was supreme, and defying the ruler was considered a grave offense. While other legends about Gun exist, this story alone stirred Qu Yuan deeply. Gun worked tirelessly to control the floods for nine years and, out of desperation, stole the emperor's soil to stop the flood—what was the crime he committed? Yet, the emperor had him killed—where was the justice in that? Reflecting on his own dedicated efforts for the prosperity of Chu and the strength of the royal house, Qu Yuan felt a profound sense of injustice when he was slandered, estranged, and ultimately exiled. This prompted him to lament deeply, resonating with the sentiment of "sorrowing over a different era." Thus, in *Heavenly Questions*, Qu Yuan expressed his indignation on Gun's behalf:

*Unfit to control the floods, so why was he chosen?
All said nothing to worry about, so why not test him before
appointing him?
The tortoise bears burdens, the hawk grips the line,
To place heavy stones as the design.*

*But why did Gun follow such counsel in vain?
As he almost succeeded, why was he slain?*

This poem questions the story from *The Book of Documents* (*Shang Shu*). Unlike *The Book of Documents*, which claims that Gun “failed to accomplish his task,” the poem says that he “almost succeeded.” Qu Yuan angrily condemns Emperor Yao for executing Gun, passionately voicing his grievances. In fact, Qu Yuan is using this story as a metaphor to express his own frustrations, denouncing Emperor Yao while implicitly criticizing the inept Chu Huai King, and he identifies himself with the wronged Gun. Consequently, the figure of Gun in the mythology starts to take on the traits of Qu Yuan. In *The Songs of Chu*, Gun’s image significantly changes and evolves compared to *The Book of Documents* and *The Classic of Mountains and Seas*.

Qu Yuan, by nature, is upright and straightforward, frequently emphasizing his “uprightness” and “integrity” in his poems. It is precisely this nature that leads to his fall from favor with the King of Chu, so he portrays Gun similarly, as someone who suffered due to his integrity. In *On Encountering Sorrow* (*Li Sao*), Qu Yuan does not mention Gun’s efforts in flood control but rather says, “Gun perished because of his uprightness, ultimately dying at the Field of Feathers.” In *Regretting the Past*, he writes, “Walking straight and not being favored, Gun’s work was left incomplete.” Here, he uses Gun’s altered fate to metaphorically describe his own, aligning their personalities. Thus, rebellion becomes an act of integrity and selflessness, fundamentally altering Gun’s image.

Even after Gun’s death, *Heavenly Questions* miraculously brings him back to life: “Why did he suffer in the western expedition? How did he transform into a yellow bear and get revived by shamans? They spread seeds and cultivated millet; why was Gun punished despite his diligent efforts?” The story of Gun turning into a yellow bear after death is recorded in *Discourses of the States* (*Guoyu*), but his revival by shamans and subsequent role in agricultural development for the benefit of the people is an innovation

in *Heavenly Questions*. This transformation of Gun's old myth into a new one, which he revives to benefit the people, is an interesting example of how personal influence can reshape mythology. Qu Yuan projected his integrity and dedication to his country onto Gun, and this image earned the admiration of the populace. This reformed myth of Gun was once again embraced by the public, turning it into a collective myth. Thus, two versions of myth about Gun emerged: one, where he was executed for rebellion, favored by the rulers to assert their absolute authority; and the other, where Gun was resurrected for his integrity and public service, cherished by the people as their ideal hero.

The myths of the sun and the phoenix, central to Chu mythology, serve as two spiritual pillars of Qu Yuan's personality. These myths embody the spirit of the Chu nation, and Qu Yuan infuses his personal emotions in the vivid and moving depictions in the poem. *Lord of the East* and *Lord of the Clouds* are divine hymns composed by Qu Yuan on behalf of the Chu people. The images of these two deities can be found in many of Qu Yuan's other works, as he often identifies with them. This indicates the transition of the national mythic spirit to the personalized poetic feature of Qu Yuan. The interaction between national and individual elements is a distinctive feature of *The Songs of Chu*, setting it apart from other classical works like *The Classic of Mountains and Seas*.

In *On Encountering Sorrow (Li Sao)*, Qu Yuan compares himself to the Sun God. He issues commands to other gods, walks the path of the Sun God, rides in the Sun God's chariot, drives the Sun God's dragons, and performs the music of the Sun God's worship. Just like the Lord of the East, he "drives eight dragons gracefully, bearing the cloud banners elegantly." By doing so, he aims to demonstrate his uprightness, fairness, and unwavering loyalty to his country and the Chu royal family. Due to this special relationship with the Sun God, Qu Yuan writes *Lord of the East* with deep affection.

Qu Yuan also likens himself to the phoenix, as seen throughout *The Songs of Chu*. In *On Encountering Sorrow*, he writes, "The fierce bird does not flock together," using the fierce bird as a metaphor for his own exceptional qualities.

The fierce bird here refers to the phoenix. A note in *Selections of Refined Literature: On Destiny* by Gao You explains that “great wind” refers to the fierce bird, indicating that the fierce bird is indeed the phoenix. In *Embracing Sand*, he uses the phoenix to symbolize his misfortune: “The phoenix is in distress, while chickens and ducks frolic and dance.” In *Summoning the Soul*, he describes a bird coming from the south to the north of the Han River, which is also likely a phoenix. In *Crossing the River*, he merges the images of the phoenix and the Lord of the Clouds to describe himself. The concluding lines clarify the theme: “The phoenix and the Luan birds are flying away each day.” He expresses his desire to distance himself from the corrupt reality, maintaining his noble character like the phoenix. The poem has a strong connection to reality, with rich romantic and symbolic elements.

At the beginning of the poem, Qu Yuan describes extravagant attire to symbolize the integrity of his whole life. To express his noble character and eternal existence, he compares himself to the Phoenix God and the Lord of the Clouds:

“I ride a Qiu with a Chi as my companion, I wander with Chonghua in the Jade Garden. Climbing Kunlun, I consume jade essence, living as long as Heaven and Earth, shining as bright as the sun and the moon.”

Selections of Refined Literature notes: “Qiu and Chi are two types of dragon.” This indicates that Qu Yuan is also riding the dragon chariot of the Lord of the Clouds. The so-called “Jade Garden” is actually the Kunlun Garden of the Phoenix. Kunlun Mountain is rich in jade and emerald. *Huainanzi: Geography* states: “The Pearl Tree, Jade Tree, Revolving Tree, and Immortal Tree are in the west, the Shatang Tree and Langgan Tree are in the east, the Crimson Tree is in the south, and the Emerald Tree and Jade Tree are in the north...this is its sparse garden.” This sparse garden is the actual Jade Garden. Eating the jade essence refers to consuming the flowers on these jade and emerald trees, an act attributed to the Phoenix God. “Living as long as Heaven and Earth, shining as bright as the sun and the moon” is a praise

originally found in *Lord of the Clouds*: “I will dwell in the palace of longevity, shining as bright as the sun and the moon.” Both lines are penned by Qu Yuan, and their striking similarity suggests that he identifies himself with the Phoenix God and the Lord of the Clouds. This connection provides further evidence that the Lord of the Clouds is indeed the Phoenix God.

The entire *Crossing the River* is meant to display Qu Yuan’s noble character. Time passes by, and he consistently cultivates virtue while the people of his country remain intoxicated. In the face of a dark reality, Qu Yuan resolutely distances himself and secludes his spirit. All of this is transcendent and elegant, which is why Qu Yuan likens himself to the phoenix, establishing the spirit of the phoenix. The phoenix myth embodies courage, good fortune, and purity, with Qu Yuan focusing on the latter. His noble character is concentrated in the persona of the Lord of the Clouds. Just as he uses extraordinary attire to symbolize his purity, he uses his appearance to symbolize this purity in the description of the Lord of the Clouds: “Bathing in orchid-scented water, adorned in bright colors like flowers, with a clear and luminous presence.” Immaculately clean and radiant, his elegance is unparalleled. The Lord of the Clouds, to some extent, becomes an external manifestation of Qu Yuan’s character. The rich meaning of the phoenix is condensed with purity as its focus.

With the fall of the state of Chu, the phoenix as a symbol of the brave spirit of the Chu people gradually faded, and the great battle between the phoenix and the dragon became a thing of the past. However, the pure phoenix created by Qu Yuan gained widespread recognition, becoming a symbol of the noble virtues of the Chinese nation.

The Songs of Chu was not only a personal work but also a national treasure. On the one hand, they were based on the widely circulated myths in Chu. On the other hand, Qu Yuan, as a representative of the Chu people, created myths that demonstrated the spirit of the Chu people. Therefore, the myths in *Chi Ci* were first and foremost the myths of the Chu nation. However, due to Qu Yuan’s unique experiences, strong character, and

outstanding lyrical talent, it was natural for him to project himself onto the myths. These myths turned into national myths, and later generations inherited the spirit of the myths along with Qu Yuan's personality, leading to a transformation of the original myths and their further development.

The transformation and reconstruction of traditional myths in *The Songs of Chu* were driven by three main factors: human awakening, establishment of national spirit, and growth of individualism. The traditional mythology was expanded, and an independent mythological system came into existence, where gods were humanized or secularized reflecting advancements in humanism. As humans asserted their presence in the efforts to transform nature and society, they also reconstructed the old myths. While cultural conflicts depicted in the myths were intense during Qu Yuan's time, the integration of ethnic groups in later generations diluted the emotional impact once felt by the Chu people. The rise of individual consciousness influenced the collective values of traditional myths, with national and individual spirits working together to rejuvenate mythology. These three factors continuously drove the renewal and transformation of the myths in *The Songs of Chu*.

The Motif of Peace

Myths emerged from social conflicts, but their purpose was to resolve and ease these tensions, fostering psychological stability and social progress. By resolving conflicts through spiritual victories, myths cultivate a spirit of peace and rationality. As civilization advances, it replaces barbarism by abandoning violence in favor of peace. In a civilized era, war continues the legacy of barbaric customs, clashing with humanistic ideals. Thus, revisiting ancient myths offers valuable insights for modern efforts toward peace.

Chinese mythology encompasses a series of peace motifs, from which a few notable examples can be discussed.

1. Abdication Myths: A Model for Peaceful Power Transition

Political transitions are often marked by heightened social conflict and intense power struggles. In ancient China, these struggles sometimes took the form of class conflicts but more frequently arose as internal rivalries within social groups. The populace, unfortunately caught in the crossfire, suffered the most—often unjustly. The ruling class, sacrificing the masses for their factional disputes, exemplified corruption. Power was seized through violence, with fathers killing sons and brothers turning against each other, giving rise to a brutal, beastly nature.

How can such barbarity be curbed? In the absence of a democratic and rational model for power transition, traditional abdication myths suggest a peaceful alternative. The myths of Yao, Shun, and Yu's abdication perhaps contain traces of primitive military democracy, but Confucian classics depict abdication not as historical events but as ideal social blueprints. These myths convey the message that kingship should not be lifelong and that the elderly must relinquish power to the worthy.

In historical contexts, it is common for the elderly or unworthy rulers to cling to power, either suppressing emerging forces or facing their own

demise. The “killing the old” custom across various ancient cultures and the palace massacres after military coups are all due to the lack of a sound power transition model. The story of the Chu King who, desiring bear paws, sent his son to the underworld reflects the brutal outcomes of power struggles.

In the abdication myths, the successor is virtuous and talented, while the aging or less virtuous ruler willingly steps down, achieving a peaceful power transition. This kind of myth aims to extinguish the flames of battlefields, going a long way to promote peace with good effect. Analyzing historical texts, we can find the actual power transitions between Yao and Shun, and Shun and Yu, did not completely exclude force. Yao and Shun were compelled to relinquish power under unavoidable circumstances, making it a forced concession rather than voluntary abdication.

Confucian classics elegantly described these events, clearly presenting them as political myths. Confucian scholars used these reformed abdication stories to convey a social ideal, hoping that “those who rely on virtue will prosper, while those who rely on force will perish,” and to expel violence from political life.

Since Confucian classics served as the spiritual weaponry of traditional society’s ruling elite, the abdication doctrine became a tangible part of later political life, seen in the abdications during the Han and Wei periods and again during the Wei and Jin transitions. Despite any elements of coercion, these transitions were more civilized than violent overthrows, resulting in fewer bloodstains on the throne. Regions, where Confucianism thrived, saw more frequent instances of such power transitions, whereas areas with weak Confucian influence still relied heavily on military force. This indicates the significant impact of abdication myths on methods of political succession.

The inner spirit supporting the abdication myth is “virtue”. A virtuous society certainly does not glorify slaughter. For rulers, virtue means “revering Heaven and caring for the people” because Heaven loves the people, and the people are the masters of the gods. Only those who revere Heaven and care for the people are fit to hold the throne; otherwise, they should step down.

During the late Western Han period, a group of scholars tried to persuade the emperor to relinquish the throne, creating new myths to illustrate the abdication motif and initiating a “cultural revolution.” The political governance of the Western Han after Emperor Wu became increasingly dark due to the dominance of maternal relatives in power. Emperors either did not understand politics or were overly superstitious, thus being “unvirtuous.” Wang Mang, aligning with Confucian scholars, promoted the abdication doctrine, asserting that the Han dynasty descended from Yao, while he himself was a descendant of Shun. As Yao ceded the throne to Shun, so too should the Han dynasty cede to Wang’s family. Wang Mang “received abdication” successfully, which was historically inevitable to some extent, as the incapable and unworthy Emperor Ai of Han served no purpose. Wang Mang did not kill members of the Han royal family, partially adhering to the principles of the abdication myth. However, once in power, he lost virtue, leading to his downfall. The abdication myth, on the surface, promoted a mode of power transition but essentially advocated a societal ideal of virtuous governance. Therefore, Confucius stated, “Govern with virtue, and all will align with you as the stars encircle the North Star.”

The abdication doctrine partially mitigated violence in political struggles, benefiting both current rulers and aspiring ones.

2. Myth of the Five Emperors and National Unity

The Chinese nation is a unified entity comprised of diverse ethnic groups, with national unity serving as a cornerstone for prosperity. It is widely understood that the foundation of a nation lies not in bloodlines but in culture. Among various cultural expressions, mythology holds a fundamental role. As Schelling once noted, a nation truly forms when it identifies with a shared mythology. Myths establish a symbolic ancestral lineage, often serving as a marker of national identity. Just as clans rely on the idea of a common ancestor, so too do nations depend on shared myths to foster a sense of unity. Myths about ancestral bloodlines thus become cultural symbols of national cohesion.

There were countless clan groups in ancient Chinese society, though the exact number was difficult to ascertain. They certainly did not share the same ancestral bloodline, and the cultural differences were evident. This means that the origin of the Chinese nation is pluralistic, with a rich and diverse culture. By the Spring and Autumn and Warring States periods, the cultural distinction between the “Huaxia” and the “Yi” demonstrated that people still did not regard various groups as a unified nation; the slogan “All under Heaven are brothers” remained nothing but a slogan.

When Confucian classics became widely influential, especially after the “Emperor Lineage” and “Five Emperors’ Virtue” from *The Book of Rites* were incorporated into Sima Qian’s *Records of the Grand Historian: Annals of the Five Emperors*, the Chinese nation developed into a new era. The unified status of the Yellow Emperor as the ancestor was further confirmed by texts like *Comprehensive Meaning of White Tiger (Baihu Tongyi)* and *Comprehensive Meaning of Customs and Habits (Fengsu Tongyi)*, and consensus was reached that the Chinese nation consisted of descendants of the Five Emperors, centered around the Yellow Emperor. Thus, the idea that “all under Heaven, within the Four Seas, are brothers” was validated by mythology and became a historical fact. The myth of the Five Emperors became a cornerstone for national cultural identity.

Following the Qin and Han dynasties, various groups integrated into the Chinese nation by identifying as descendants of Yan and Huang or by adopting the sacrificial rituals of the Five Emperors. Many ethnic groups claimed descent from the Yellow Emperor or the Five Emperors; for example, the Xiongnu traced their lineage to Yu the Great, while the Xianbei Tuoba and Murong clans asserted their descent from the Yellow Emperor. The idea of being descendants of Yan and Huang, and inheritors of the dragon lineage, solidified as the foundation of national identity.

The idea of being descendants of Yan and Huang and inheritors of the dragon lineage isn’t about bloodlines; it’s about embracing the “Virtue of the Five Emperors.” Many ethnic groups that came to rule the central plains

accepted this notion and firmly believed their regimes were legitimate. They saw the standard for ruling the world not as race or territory but as “virtue.” Those who possessed virtue were considered Huaxia people, while those who didn’t were seen as barbarians. Even figures like Shang Tang and King Wen of Zhou, who weren’t of pure Huaxia lineage, held an unshakable place in Huaxia culture.

One could say that the Chinese nation endures today largely due to the mythology of the Five Emperors, which is rooted in the emperors’ virtue. The myth of the Five Emperors transformed swords into plowshares and avoided countless ethnic conflicts because people believed, “We are brothers, the virtuous people of a civilized nation, and should not kill each other.” This notion of universal brotherhood is a beautiful ideal. Even in modern times, during the crucial moments of the Anti-Japanese War, the Nationalist and Communist parties established a united front and held a grand ceremony to honor the Yellow Emperor. The strong cultural heritage of being descendants of Yan and Huang continues to ensure national unity and prosperity.

The myth of the Five Emperors is a symbol of Chinese national unity and a resounding anthem of peace.

3. Unity of the Three Teachings: Mythical Approaches to Avoiding Religious Conflict

Confucianism, Daoism, and Buddhism were the three major religions in Chinese history. Compared to these three, other religious forces were relatively less important. There were sharp contradictions and conflicts among Confucianism, Daoism, and Buddhism, but these conflicts were not irreconcilable, nor did they result in tragedies akin to the Crusades. Moreover, the multiple cases of unification and division in Chinese history seldom resulted from religious conflicts. Therefore, the three teachings naturally integrated as they demonstrated to be more complementary than conflicting among themselves, with mutual influence and interdependence playing key roles in their evolution.

This integration of three major teachings was shown in the integration

of myths. By the Tang dynasty, the intense conflicts among the three teachings had ended, and the trend of integration became increasingly dominant. During the Song and Yuan dynasties, illustrated compendiums of deities from the three teachings appeared, depicting the leaders of the three teachings as spiritual leaders of the Chinese nation. After the Song and Yuan periods, Buddhism incorporated native Chinese deities into its temples; for example, Guan Yu became a guardian deity in Buddhist temples. Daoism, in turn, renamed Buddhist bodhisattvas as great beings, leading to the mingling of deities in temples and Daoist sanctuaries. Folk altars worshipped deities from all of the three teachings as well as those of various minor religions, all of them coexisting peacefully. In Chinese religion, there was no single unified supreme deity. Except for the so-called “illicit worship” that was occasionally banned and destroyed, none of the three major teachings were ever labelled “heterodox”, which was due to the later myths and legends of the three teachings.

In popular legends, Confucius, Shakyamuni, and Laozi were like inseparable brothers with separate and complementary roles. Alternatively, the three were depicted as friends who, after parting ways, each applied their talents and found their own places.

After the Song and Yuan periods, Chinese mythology was reconstructed. This system used Daoist mythology as its main framework, Confucian doctrine as its guiding principle, and Buddhist deities and concepts as supporting elements. It established a vast and comprehensive mythological system centered on the Jade Emperor. In this system, the Jade Emperor was more than a supreme deity of Daoism, and the deities of various religions all had their rightful place. Through further elaboration in novels, dramas, and folk legends, this system became so well-established that no one attempted to dismantle it, and it would have been difficult to do so. In the mythological portrayal of the divine realm, religious enmities were dissolved, and a spiritual home for all the people was created.

Polytheistic religions have certain advantages over monotheistic religions,

as their inclusiveness avoids conflicts. This is an effective way to mediate religious contradictions. If there were more inclusive religious myths in world history, humanity might have shed far less blood.

Chinese mythology has contributed significantly to the peace and development of this nation. This is a valuable experience in human development. The above examples are just a few among the numerous peace motifs in Chinese mythology, but they are enough to illustrate the value of mythology in Chinese culture.

The Worship of Gods and Spirits in China

The worship of gods and spirits in China has a long and complex history. Its evolution can be traced through several stages:

1. From Primitive Society to the Spring and Autumn and Warring States Periods:

This is the first phase of the worship of gods and spirits in China. During this period, the transition from primitive soul worship, nature worship, and fertility worship to the establishment of a trinity system of heavenly gods, earthly deities, and human spirits laid the foundation for the traditional royal sacrificial rites.

2. From the Qin and Han Dynasties to the Sui and Tang Dynasties:

This is the second phase. During the Qin and Han dynasties, the belief in immortals was an early stage in the development of the Daoist pantheon. The struggles between Daoism and Buddhism during the Western and Eastern Jin dynasties, Southern and Northern dynasties, and the Sui and Tang periods constituted the most spectacular landscape of the worship of gods and spirits. These conflicts ultimately led to the syncretism of the three teachings (Confucianism, Daoism, and Buddhism).

3. Song, Yuan, Ming, and Qing Dynasties:

This is the third phase. The main feature of this period is the decline of the royal altars and the flourishing of popular deities among the common people. Royal sacrificial rites and popular worship diverged, indicating societal disintegration.

4. Modern and Contemporary Periods:

This is the period of decline for the worship of gods and spirits.

What are gods and spirits? According to *The Book of Rites: Sacrificial Law*, “Mountains, forests, rivers, valleys, hills, and mounds that can produce clouds, create wind and rain, and manifest strange phenomena are all called

gods.” This is consistent with what *Zuo Tradition (Zuo Zhuan)* describes as natural deities found in the first year of Zhaogong. Gods refer to celestial bodies and natural elements like the sun, moon, stars, mountains, rivers, and forests. Spirits are the souls of the dead, as stated in *Sacrificial Law*: “When a person dies, he is called spirit.” Thus, gods and spirits basically include natural deities and human spirits. However, some spirits ascend to the status of gods. The saying “the outstanding spirits are gods” implies that the souls of ancestors and outstanding individuals become gods, turning the divine pantheon from purely celestial gods to a mix of celestial and human spirits. This reflects the traditional unity of heaven and humanity in the divine realm. As some spirits ascend to godhood, the status of other spirits declines, becoming lowly and evil, subjected to the control and punishment of gods. Therefore, when people speak of gods and spirits, they often refer to natural deities and the spirits of remarkable individuals. In this sense, reverence for gods and spirits essentially means reverence for gods.

Soul Worship and Fertility Worship

The earliest traces of the worship of gods and spirits can be found in the burial practices of the Upper Cave Man from around 18,000 years ago. Red powder was scattered around the corpses, and the ornaments were mostly perforated and dyed red, symbolizing blood and the immortality of the soul. In the urn burials of the Yangshao culture of 5000 BC to 3000 BC, the urns often were perforated to allow the soul to enter and exit. This concern with death demonstrates the desire for eternal life, which in turn is related to fertility. Thus, soul worship and fertility worship are two parallel aspects of early religious beliefs.

The earliest form of fertility worship was female deity worship. During this period, people worshiped totems, a form of primitive religion that unified sexual and natural worship. They believed that certain natural objects were closely related to individuals and clans. Totemic objects were considered gods who were protecting the interests of each clan member. Consequently, totems became symbols of clans, tribes, or entire ethnic groups.

Archaeological findings and ancient texts prove the existence of totem worship in China's primitive society. New Stone Age cultural relics feature various totemic symbols, such as the double-headed bird pattern of the Hemudu culture, the human-face fish pattern on the painted pottery basin from Banpo in Xi'an, the lizard pattern on painted pottery jars from Wuping in Shanxi, frog patterns from Miaogou in Shanxian, and deer patterns from Banpo. These animal patterns likely represent the totems of the ethnic groups in those regions.

Historical records indicate that in ancient times, there were various totem groups: the cloud totem group led by the Yellow Emperor, the fire totem group led by the Yan Emperor, the ox totem group led by Chiyou, and the bird totem group led by Shaohao. Through differentiation and amalgamation, these groups eventually formed the dragon and phoenix totem groups, which became symbols of the Chinese nation. The development of totem worship far exceeded the boundaries of clan society.

In the era of male ancestor worship, people venerated their forebears, who were often depicted as emerging from totemic origins. These ancestors might initially be shown with human faces and animal bodies, or as birds with human faces, bearing traces of the tribe's totem. However, this wasn't a natural evolution of the totem; it was a deliberate attempt by male ancestors to deify themselves by blending with the totemic symbols, implying that the ancestors were, in essence, the totems themselves. The myths of the Five Emperors and the ancestors of the Three Dynasties (Xia, Shang, and Zhou) are typical products of ancestral veneration. As rituals for ancestor worship were established, primitive society began to disintegrate.

The abstract concept of a supreme deity came into existence in the primitive society. Divination marked the formation of this concept, as people believed the deity had a will that could be communicated with through specific rituals. At the Dawenkou cultural site, scapulae from pigs, deer, cows, and sheep were found with scorch marks, which are believed to be omens of good or bad fortune. By the late Neolithic period, people had begun

divination and the worship of a supreme deity.

Kingship and Divine Authority

In the slave society, the worship of gods and spirits further evolved to be a tool for oppression. During the Xia dynasty, religion was used to govern the populace. Rulers justified their authority through divine mandate. As recorded in *The Analects of Confucius: Taibo*, Yu “devotedly worshipped gods and spirits,” indicating a devout attitude toward these entities. Archaeological findings, such as numerous divination bones from pre-Shang periods, show the Xia people’s belief in a supreme deity. Limited materials provide clues to the Shang rulers’ fervent worship of gods and spirits.

Shang rulers merged kingship and divine power, with the supreme deity and the king both referred to as “Di” (Emperor). Consequently, kings frequently used phrases like “executing the mandate of Heaven” to demonstrate their supreme authority. The Shang people, deeply reverent of spirits, would consult the omnipotent supreme deity on all matters, great or small, through divination, as they had to be sure that everything they did conform to the heavenly way.

The Shang had a comprehensive system of the worship of gods and spirits, detailed by Chen Mengjia in *A Comprehensive Study of Oracle Bone Inscriptions from Yin Ruins*:

1. Heavenly Gods, Supreme Deity: Sun, Eastern Mother, Western Mother, Clouds, Wind, Rain, Snow.
2. Earthly Deities: Four Directions, Four Mountains, Four Witches; Mountains, Rivers.
3. Human Spirits: Former Kings, Former Lords, Former Consorts, Various Sons, Various Mothers, Former Ministers.

This trinity of heavenly gods, earthly deities, and human spirits became the traditional framework for Chinese religion, profoundly influencing Chinese culture.

The Zhou dynasty further solidified the trinity model of worship, as described in *The Rites of Zhou: The Office of the Grand Ancestral Rites*. This

model emphasized three main aspects:

1. Heavenly Deities: The worship of Haotian Shangdi, the Supreme Deity, was strengthened, establishing Haotian Shangdi as the highest divine figure worshipped by the ruling elite. The phrase “all things originate from Heaven” underscored the centrality of the Supreme Deity in the Zhou ritual system.

2. Human Spirits: Worship was exclusively directed towards male ancestors, reflecting the patriarchal structure of the Zhou society. The phrase “humans originate from ancestors” emphasized this point, and references to female ancestors such as grandmothers and other female relatives were omitted, showcasing the patrilineal focus of the Zhou clan system.

3. Earthly Spirits: That the God of Millet joined the pantheon of earthly deities indicated the Zhou dynasty’s emphasis on agriculture. The God of Millet indicated agriculture was the foundation of the state, as the ancestor of the Zhou dynasty was said to be the god of agriculture. The term “Sheji”, referring to the deities of land and grain, later came to symbolize the state itself.

During the Spring and Autumn and Warring States periods, the worship of gods and spirits varied significantly among different states, reflecting the declining influence of the Zhou king. For instance, in the states of Lu and Song, ancestor worship was taken to an extreme, as reflected in their poetry, which often exaggerated the virtues of their ancestors. In contrast, the state of Chu largely neglected ancestor worship and focused on the worship of gods, which was extremely popular throughout the society. The chaotic practices of worshipping were the result of political fragmentation. However, once political unity was achieved, the trinity model of heavenly deities, ancestral deities, and earthly deities was established again.

From primitive soul and nature worship to the establishment of a trinity system encompassing heaven, earth, and human spirits, the worship of gods and spirits of pre-Qin societies laid the foundation for both imperial rituals and popular beliefs in later periods. This was a crucial chapter in the history of

Chinese religious practices.

Pre-Qin worship of gods and spirits reflected the traditional concept of the unity of heaven and humanity. In ritual activities, ancestor gods and heavenly gods were given equal status, with the belief that “all things originate from Heaven” and “humans originate from ancestors.” Therefore, ancestor gods were often equated with heavenly gods to legitimize royal authority.

In addition to inheriting pre-Qin traditions, the Qin and Han dynasties introduced a significant new element: the worship of immortals and the pursuit of longevity. Although the quest for immortality began in the late Warring States period, particularly in coastal areas like Yan and Qi and inland regions like Chu, it became a powerful movement during the Qin and Han periods. Qin Shi Huang, the First Emperor, was a prominent seeker of immortality.

By the Han dynasty, the veneration of immortals had become a widespread trend. The Han dynasty official Liu Xiang recorded 71 ancient immortals in his *Biographies of Immortals*, highlighting people’s fascination with immortality during this period. Many Han emperors, such as Emperor Wu and Emperor Xuan, were fervent believers in immortals, pursuing alchemy and immortality with zeal, often to the detriment of state affairs. This craze extended to officials and commoners alike, who aspired to become immortals. Archaeological excavations of Han dynasty tombs have revealed numerous murals depicting scenes of ghost expulsion by Fang Xiangshi (a type of shaman) and the ascension of the tomb occupants to immortality, reflecting a strong consciousness of eternal life.

Taoism and Buddhism

Taoism emerged amidst a fervent wave of belief in immortals. The faith in Taoism was complex, with many different sects, but the veneration of immortals and the pursuit of longevity had always been central activities. Taoist adherents promoted the idyllic vision of paradise, attracting many believers.

The powerful pantheon of Taoism, in essence, is a transformed and

reimagined version of the traditional trinity of heavenly gods, earthly deities, and human spirits. At the celestial level, there are the “Three Pure Ones” and the “Four Sovereigns,” who hold the highest positions. Taoist worship includes:

1. Heavenly Gods: Deities of the sun (Great Brightness), moon (Night Brightness), the Big Dipper, the five planets, the five elements, Taiyi (the Great One), Wenchang (the god of culture and literature), various constellations, and gods of wind, rain, thunder, and lightning.

2. Earthly Deities: Deities of the Five Sacred Mountains, the Four Rivers, the Four Seas, various mountains and rivers, the deities of land and grain, the five household deities, the eight seasonal deities, city gods, and earth gods.

3. Human Spirits: Ancestors of various surnames, sages, virtuous and talented individuals, as well as loyal and righteous figures like Guan Yu and Yue Fei.

This pantheon is based on the traditional system of worshipping heavenly gods, earthly deities, and human spirits, which gives it significant vitality. Unlike earlier traditions, this trinity system expanded from the imperial court to the common people, representing a significant expansion of the traditional ritual system.

Buddhism began to spread into China during the Eastern Han dynasty. Buddhism teachings preached that life was full of suffering, denied the permanence of the flesh, and emphasized the cycles of birth, death, and rebirth, and the principle of karma. This stood in stark contrast to Taoism, which promoted a philosophy of joy and the eternal existence of the flesh. These differences led to intense conflicts between the two religions.

However, the Buddhist prescription for overcoming suffering resonated deeply with the masses, leading to its wide acceptance. The transmission of Buddhist teachings needed the support of mythology. During the Southern and Northern dynasties, many irrational and fervent religious stories from the Western regions spread to China. Stories about the Buddha’s previous lives (Jataka tales) extolled religious principles, emphasizing the insignificance of

the flesh through tales like “sacrificing oneself to feed a tiger” and “cutting off flesh to save a dove.” Under the powerful influence of traditional Chinese culture, Buddhism gradually became localized. Bodhisattvas lost their imposing stature and became more secular. Confucian ideas infiltrated Buddhist concepts of hell, and Buddhist paradises began to resemble Taoist heavens. The localization of Buddhism also brought about its decline. After reaching its peak during the Tang dynasty, Buddhism started to wane, and by the Song and Yuan dynasties, it was but a shadow of its former self.

From the Western and Eastern Jin dynasties to the Northern and Southern dynasties, and further to the Sui and Tang dynasties, the spiritual landscape was dominated by Taoism and Buddhism, whose fortunes waxed and waned in response to each other. Taoists propagated the idea that Laozi transformed into Buddha to disparage Buddhism, which Buddhists vehemently criticized as absurd, accusing Taoists of deception in their quest for immortality. Taoism, with the support of royal authority, instigated three significant anti-Buddhist persecutions (the “Three Wu Eradications of Buddhism”).

If the trinity system of heavenly gods, earthly deities, and human spirits established the orthodox framework of worship in pre-Qin times, then Taoism and Buddhism represented two heterodox forces that expanded Chinese religious worship. By the Sui and Tang dynasties, the basic structure Chinese pantheon of gods and spirits had become complete.

The Secularization of Deities

From the Song and Yuan dynasties onward, the worship of gods and spirits in royal rituals essentially followed the patterns of previous eras. The three major religious traditions—Confucianism, Taoism, and Buddhism—experienced both integration and conflict, though these conflicts never again reached the intensity of earlier periods. The formation of Neo-Confucianism marked the completion of the syncretism of the three teachings. The most distinctive feature of the worship during the Song, Yuan, Ming, and Qing dynasties was that the gods and spirits stepped down from their royal altars

and got into the temples of ordinary people. Folk deities grew and flourished like never before. This shift is evident in several ways:

First, the adaptation of the supreme deities. The gods in Buddhism and Taoism were adapted by the masses and turned into religious figures accepted by a more general populace rather than being venerated solely by their traditional followers. For example, Guanyin Bodhisattva and Amitabha Buddha from Buddhism, along with the Jade Emperor, Zhang Tianshi, Laozi, and the Eight Immortals from Taoism, all gained far greater influence among the general populace than they did as supreme deities in their respective religions. These deities came to reflect the general will of the people.

Second, the emergence of trade deities. As the industry of handicrafts prospered in the Song and Yuan dynasties and the rapid growth of trade guilds during the Ming and Qing periods, patron deities for different trades came into existence. These included Lu Ban for carpenters and builders, Meng Gong and Meng Lao for the shipping industry, and Laozi for blacksmiths. The rise of the trade deities marked a deeper specialization of labor in Chinese history. These deities often strengthened the unity within various trades and symbolized the desire to see their trades thrive, reflecting a strong ambition for handicrafts to gain independence from agriculture.

Third, religious stories turned into popular entertainment. As urban economies developed, the cultural and recreational needs of the population expanded. Stories about deities became a popular form of entertainment, as evidenced by the rise of drama in the Song and Yuan dynasties and novels in the Ming and Qing dynasties. These tales brought deities into everyday life, reducing their mystique and hastening their secularization.

Starting from the Song and Yuan dynasties, Chinese feudal ruling had become more autocratic with stronger control over people's minds. In contrast, the religious beliefs became more diverse, which indicated a kind of resistance to autocratic rule, a trend towards ideological liberation. The autonomous practices of folk deity worship revealed that rulers could no longer dominate the populace's thoughts, heralding the imminent decline of

feudal society. Attempts by rulers to use religious beliefs to govern the people became increasingly futile.

In this third phase, the concept of the unity of heaven and humanity reemerged in the worship of gods and spirits, though it was no longer in its original form. In the pre-Qin era, the unity of gods and humans symbolized the convergence of royal authority and divine power. This notion was challenged during the second phase, and the deities worshipped by the populace were not emperors but beloved heroes like Guan Yu and Wen Tianxiang. This signaled a renewed merge of gods and humans, as people believed they could get blessings from these deities through veneration and prayers. This time, it was the populace that embraced the deities, advancing the unity of heaven and humanity.

When Western imperialists forced open the gates of the ancient Chinese empire with their cannons, the Chinese ruling class was in a crisis the ruling class, and so was the folk religion. Western religions began to impact the Chinese religious system, leading to a “battle” between Eastern and Western religious beliefs. The Taiping Rebellion, led by Hong Xiuquan’s God-Worshipping Society, nearly brought the Qing dynasty to its destruction. In response, the ruling class attempted to use traditional religious practices and worship to resist foreign encroachment, as seen in the Boxer Rebellion—a large-scale anti-foreign movement fueled by this spirit. However, with the influx of new ideas, particularly the spread of Marxism, the worship of gods and spirits faced unprecedented challenges. After the fall of the Qing Dynasty, the traditional trinity of religious worship finally collapsed.

Characteristics of Religious Worship in China

What characteristics does the religious worship in China exhibit?

First, the lack of a unified supreme deity in ancient China:

Ancient China had unified monarchs but never a single supreme deity, which is quite intriguing. While rulers worshipped the Supreme Lord of Heaven, the common folk believed in the Jade Emperor. Merchants revered the God of Wealth, doctors honored the Medicine King, and those seeking

children prayed to Guanyin. To seek divine assistance, people often turned to local deities rather than the high gods. Whether a deity was the supreme god was unimportant to them; what mattered was the blessing they received. Even within a single religion, the supreme deity was unstable: in Taoism, the supreme deity could be the Supreme Lord Laozi, the Primordial Heavenly Venerable, or the Jade Emperor, depending on the era. Typically, in the autocratic Eastern world, having a single supreme deity would seem natural, but not so in ancient China. This indicates that cultural autocracy in ancient China was not as severe as one might imagine. Confucianism was orthodox, but heterodox beliefs were not entirely prohibited. Ancient Chinese culture was an open system, and true cultural autocracy was perhaps only seen in a few emperors like Qin Shi Huang. The pragmatic ancient Chinese liked to focus on tangible benefits, which means that they would pray to any deity that was believed to be helpful. The relatively lenient cultural policies and this pragmatic mindset made the emergence of a unified supreme deity difficult. Furthermore, many dynasties in Chinese history were founded by non-Han ethnic groups, who could not fully identify with Han deities, further preventing the emergence of a unified supreme deity.

Second, the reverence for gods and disdain for ghosts.

In Chinese belief, gods and spirits had vastly different statuses. Gods were noble and represented justice and goodness, while ghosts were sneaky and symbolized evil and deceit. Ghosts harmed people, while gods blessed them. People used gods to combat ghosts, a common method of seeking blessings and warding off disasters. Legends spoke of the Mountain of Dusuo, where the gate to the underworld was guarded by gods who kept ghosts in check, feeding evil ghosts to tigers. There were numerous legendary ghost-busting heroes, whose images were pasted on doors to show disdain for ghosts and reliance on gods. Throughout history, there have been various rituals to expel ghosts, and many Taoist spells were designed to drive away ghostly harm. Generally, ghosts were not well-liked.

Third, a discrepancy between official rituals and folk beliefs.

An interesting aspect of Chinese religious worship is the difference between official and folk practices. Only the emperor and nobles could worship major deities like Heaven and Earth, the sun, and the moon, while commoners could only worship minor gods like fate deities, household deities, stove gods, door gods, and local spirits. This created two distinct systems of belief. The rulers' worship of the Supreme Lord of Heaven was to proclaim divine right and ensure the dynasty's longevity, while commoners worshipped minor deities for protection and blessings. Consequently, the royal temples grew increasingly rigid, while folk deities became more vibrant, enriching the myths and practices about them. This discrepancy between official and folk beliefs, characteristic of a hierarchical society, provided commoners with a spiritual sanctuary, contributing to societal stability.

Fourth, sovereignty above the divinity.

In ancient China, religious beliefs were never developed to the point of challenging the royal authority. Instead, religious rituals were determined by the state. Decisions on which deities should be worshipped and which should not be made by the government. If an emperor decided to suppress religion, temples and statues could be destroyed overnight, and followers are driven away. Many deities were conferred titles by the emperor, underscoring the notion that the emperor held greater power than the gods. The worship of gods and spirits in China is a unique cultural product that has, in turn, nurtured the distinct characteristics of Chinese culture.