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For Larry Epstein
In memoriam

Table 14.10. (*cont.*)

Year	I Agricultural taxes*	Index	II Customs duties	Index	I:II	Taxpayers	Index	Farmland†	Index
(1898	—	—	22,976,817	783	—	319,719,000¶¶	90	—	—)
						367,324,219	*104*		
1900	—	—	24,456,571	834	—	—	—	—	—
(1903	28,086,771	93	27,659,313	943	1.0	—	—	—	—)
(1904	—	—	28,132,456	959	—	—	—	—	—)
1905	—	—	30,965,612	1056	—	—	—	—	—
1910	—	—	35,340,714	1205	—	—	—	—	—
(1912	—	—	—	—	—	368,146,520	104	—	—)

Notes: Entries in parentheses are supplementary to show continuation of the data. Italicized numbers are estimates weighted to include the missing provinces. Mean values are applicable to Anhui (6.30%), Shaanxi (4.66%), Gansu (2.71%), Fujian (4.40%), Guangxi (1.32%), Yunnan (2.04%) and Guizhou (0.49%). Jilin (0.09%) and Xinjiang (0.10) are based on the limited statistics from one year. Taiwan is excluded due to the absence of data; the formula is: $P_i' = \frac{P_i}{(1-n)}$. Where P_i' is the estimate for the period i; P_i, the incomplete aggregate for population of the period i; n, the combined share of the missing provinces in China's total; * including the Land–Poll Combined Tax, Grain-to-Cash Conversion (*liangzhe*) and Silver Loss Discount (*haoxian*); † in *mu;* § estimated figure based on the highest share of the customs duty revenue (8.85%) during 1652–1766; ¶ no data for seven provinces (Anhui, Shaanxi, Gansu, Xinjiang, Taiwan, Guangxi and Yunnan); # no data for nine provinces (Jilin, Anhui, Shaanxi, Gansu, Xinjiang, Fujian, Taiwan, Guangxi and Yunnan); ** no data for eight provinces (Anhui, Gansu, Xinjiang, Fujian, Taiwan, Guangxi, Yunnan and Guizhou); †† no data for six provinces (Anhui, Gansu, Xinjiang, Taiwan, Guangxi and Yunnan); §§ no data for six provinces (Anhui, Gansu, Xinjiang, Taiwan, Guangxi and Yunnan); ¶¶ no data for eight provinces (Jilin, Anhui, Gansu, Xinjiang, Fujian, Taiwan, Guangxi and Yunnan); source: based on L. Fangzhong, *Zhongguo Lidai Huko Tiandi Tianfu Tongji* [Dynastic data for China's households, cultivated land and land taxation] (Shanghai: Shanghai People's Press, 1980), pp. 10, 253–4, 256–7, 264–7, 380, 400–1, 414–18, 426; T. Xianglong, *Zhongguo Jindai Haiguan Shuishou He Fenpei Tongji* [Statistics of customs revenue and its distribution in modern China] (Beijing: Zhonghua Books, 1992), pp. 126–8.

15 Taxation and good governance in China, 1500–1914

R. Bin Wong

This chapter presents key features of the Chinese fiscal system between the sixteenth and early twentieth centuries. It builds primarily on a combination of Chinese and Japanese scholarship, as well as the author's own research. Earlier studies relied on printed sources which stated both a large number of rules and procedures as well as discussions of the many problems and challenges confronted by officials collecting taxes; more recent work on the eighteenth and nineteenth centuries draws as well upon archival sources, especially from the central government archives. Some scholarship stresses the tensions between centre and locale and the particular difficulties of relying on corvée labour for local government services.[1] Other work has shown dramatically different fiscal situations across Chinese provinces in the nineteenth century, with the central government seeking to gain accounting control over diverse expenditure needs.[2] Because the government did not have a modern notion of budgets there is little aggregate data of the sort available for the fiscal operations of many modern states. The demographic and territorial scale of empire makes such data collection and processing virtually impossible to imagine during the period under study. While a sense of changing magnitudes of revenue and expenditure can be suggested, institutional topics are the most feasible to examine.

This chapter considers how Chinese notions of good governance, based on light taxation and the provision of social goods, pursued between 1500 and the mid nineteenth century, came to be undermined by an expanding set of demands and difficulties confronting the Chinese state. More specifically it shows: (i) the sixteenth-century

Thanks to K. Pomeranz, J.-L. Rosenthal and an anonymous reviewer for comments on earlier drafts of this chapter.

[1] See I. Shigeki, *Chūgoku kinsei zaiseishi no kenkyū* [A study of the fiscal system in Late Imperial China] (Kyoto University Press, 2004).

[2] See S. Yamamoto, *Shindai zaisei seishi kenkyū* [Studies of Qing dynasty fiscal history], (Tokyo: Kyūko, 2002); X. Shen, *Wan Qing caizheng zhichu zhengce yanjiu* [Studies of late Qing fiscal expenditures] (Beijing: Zhongguo renmin daxue chubanshe, 2006).

state's abilities to mobilize and move revenues around the agrarian empire despite having a very limited bureaucracy; (ii) the vertically integrated eighteenth-century bureaucracy's strategies for collecting most of its taxes without encouraging rent-seeking activities or giving local-level officials much opportunity to create autonomous bases of power and authority; (iii) Chinese success at good governance, which depended on an alliance between officials and local literati, large landowners and merchants who together formed the local elite; (iv) the varied consequences of government efforts to raise extraordinary revenues in the early seventeenth and eighteenth centuries; and (v) the changing expenditure demands of the late nineteenth and early twentieth centuries that undermined long-standing ideas about good governance and transformed the institutions of the state. The pre-1850 state was able to supply order and security over a space equivalent to much of Europe, excepting the few decades on either side of the 1640s when the Ming dynasty fell and the Qing dynasty established itself. Within this empire there were few monopolies, low tariffs, and a well-developed separation of economic and political powers, which allowed for broadly parallel processes of commercial growth in China and Europe.[3] The unravelling of those successes shifts China from being a territory within which Smithian dynamics of economic expansion were well supported by state policies to becoming a fiscally fragmented empire that fell under increasing political pressures from within and from without, ultimately collapsing into a collection of competing regimes with territorial reunification not achieved again until 1949 with the establishment of the People's Republic.

In contrast to most other governments in the world around 1500, the Chinese state had more than fifteen hundred years of past fiscal principles and policies upon which to draw in order to decide upon those measures deemed most appropriate. The Ming dynasty, which began its rule in 1368, drew upon some earlier practices, but also made a sharp shift from practices under the previous Yuan dynasty and especially the Song dynasty (960–1279), whose rulers had relied on a mix of commerce and agriculture for their taxes. Viewing China in the second half of the fourteenth century, the founding Ming emperor, in contrast, envisioned a simple agrarian society settled on the land, living peacefully with little connection to larger networks beyond nearby villages.

[3] R. B. Wong, *China transformed: historical change and the limits of European experience* (Ithaca: Cornell University Press, 1997); K. Pomeranz, *The great divergence: China, Europe and the making of the modern world economy* (Princeton University Press, 2000).

He thus made agriculture the overwhelming source of tax revenues. By 1500, the realities of increasing amounts of commerce in different parts of the empire offered his successors ample opportunities to shift or expand tax collection to commerce, but they did not seize these opportunities in any of the ways in which many rulers elsewhere in Europe and Asia did. Tapping commercial revenues would not become permanently important in China until the second half of the nineteenth century. The repeated choice to stress agricultural taxation reflected broader ideas about good governance.

Understanding the relationship between taxation and good governance allows us to reconsider the ways in which the late imperial Chinese state is portrayed. Generally speaking, the Chinese state is presented in one of two ways, whether in the specialist or the comparative literature. The despotic state generates fear and uncertainty because its acts are the product of a malevolent, autocratic emperor who interferes in the lives of common people. In contrast, the lumbering and ineffective bureaucratic state fails to do much of anything, let alone anything good, because it is too small and far removed from the daily lives of common people to make much difference. These views share an assumption that the state could do nothing positive. They routinely fail to make any effort to establish concrete criteria for successful or unsuccessful government. The capacities and limitations of fiscal operations suggest that the late imperial state is best understood neither as a despotic and arbitrary government nor as an ineffective and subsequently irrelevant state. In particular, it made positive contributions to the possibilities for economic growth – rent-seeking was limited, the provision of social goods was substantial, and predation as an alternative to exchange for gaining wealth was rare.

Sixteenth-century patterns of resource mobilization and movement

In 1500 the central government levied taxes on peasants in two main forms, grain and labour service. Over the next couple of centuries these were both converted into monetary payments which made the movement and spending of revenues far easier and more flexible. Taxes were collected in each of the Ming empire's roughly 1,100 counties by magistrates who sought with uneven success to keep up with land-ownership changes and the opening of new lands. Agricultural taxes were divided into two main categories: those that remained in the county to meet local administrative expenses and those that were forwarded to the capital or diverted to another part of the empire. Taxes sent to

the capital paid for central administrative costs; they were joined by additional levies in grain from the rice-rich provinces along the Yangzi River, sent up the Grand Canal to help feed the capital. For expenses within the provinces, the central government earmarked agricultural taxes in the southern half of the empire to support soldiers, while those in northern counties went to support the resident princes of the imperial family.[4] Much uncertainty attends estimations of levels of taxation. The most comprehensive effort to estimate the multiple levies on the land suggests that total tax was less than 10 per cent of the value of the harvest in most cases, sometimes far less. Only in the rich Yangzi delta did rates approach 20 per cent of the harvest.[5] Since many rural households, especially in the Yangzi delta area also engaged in handicraft production, the percentage of total household income taxed was typically much lower and closer to the range of taxation rates observed in other parts of the empire.

The Ming state did not have any comprehensive accounting system for tracking its revenues and expenditures. This should hardly surprise us since the creation of such a system for an agrarian empire would be an organizationally remarkable accomplishment. The Song dynasty kept separate accounts for a far larger and more diverse set of taxes that spanned both agricultural and commercial sources.[6] Pressured by military threats that first removed the northern half of the empire from its control and ultimately led to their defeat by the Mongols, Song bureaucrats had considerable financial expertise; they tapped the expanding economy of what some scholars have called the Song commercial revolution, and organized economic exchange in frontier areas where private merchants were less active. The Ming state reduced the fiscal complexity of its operations by relying heavily on agricultural taxes. Despite its lack of a comprehensive accounting system, officials were able to keep track of most of the revenues sent to the capital and those left at local levels. Moreover, Ministry of Revenue officials were able to move revenues around the empire among locales in order to meet extraordinary needs, thereby reducing the need to tax at higher levels within locales to provide resources.

[4] R. Huang, *Taxation and governmental finance in sixteenth-century Ming China* (Cambridge University Press, 1974), p. 182.

[5] Ibid, p. 174.

[6] See W. Bao, *Songdai difang caizhengshi yanjiu* [Studies on local fiscal history during the Song dynasty] (Shanghai: Shanghai guji chubanshe, 2001); C. Lamouroux, *Fiscalité, comptes publics et politiques financiers dan la Chine des Song* (Paris: Collège de France Institut des Hautes Etudes Chinoises, 2003).

The political ideal of light taxation preached by Ming officials had a venerable intellectual pedigree. From classical times forward political thinkers argued that light taxation reduces burdens on the people; with wealth stored among the people they are better able to prepare for the uncertainties of harvests and avoid hardships. When the people are well fed and free of subsistence anxieties there will be social stability and as a result political security for those who rule. The principles of modest taxation were thus joined to a broader set of principles intended to promote food supply security. At different points of the Ming dynasty efforts were made to establish granaries within each county to provide grain in bad harvest years. Projects like these were a bit different from other extraordinary projects, especially major water control efforts, which were spatially specific and to which resources could be directed from other parts of the empire. Granary institutions therefore required additional resources that were raised specifically for this purpose.[7]

The sixteenth-century state supplied public order as well as social goods such as water control and granaries. Long-distance commerce flourished in this period as networks of merchants spread across different parts of the empire. Commercial taxes were light and levied at rates set by the central government, which meant that gross differences in tax incidence across the empire were far less likely than they would have been under a political system of divided sovereignties, like that existing in Europe. There was in addition a general division between economic and political powers. The wealthiest groups in society, merchants and landlords, were not organized self-consciously to pursue their particular interests. There were no institutionalized mechanisms for their voices to influence government policies in ways that would preferentially favour them over others. Such practices were basic to the organization of European societies and the relationships of elites to their states. The Chinese state bureaucracy was largely composed of individuals selected for office after passing civil service examinations, the more important positions going to individuals who had passed all three levels of the examinations. Their power and authority derived from their governmental position rather than from their autonomous sources of wealth and status. This structure of political and economic relations was stable in key respects from the late fourteenth to the sixteenth centuries. It facilitated the Smithian growth dynamics that accounted for the economy's prosperity during this period.

[7] P.-E. Will and R. B. Wong, *Nourish the people: the state civilian granary system in China, 1650–1850* (Ann Arbor: University of Michigan Center for Chinese Studies, 1991), pp. 10–14.

By the early seventeenth century, fiscal needs began to grow due to the military expenses required to meet increasing threats to domestic order from rebel groups and border security problems posed by some of the empire's northern neighbours. Heavy and arbitrary taxes were imposed in some of the richer urban centres, causing protests by merchants and craftsmen that made raising extraordinary revenues difficult.[8] The appeal to commercial revenues proved short-lived and inadequate. The Ming dynasty was brought down by domestic unrest and then conquered by the Manchus entering the empire from the north-east, who proceeded to craft a fiscal system modelled largely on Ming dynasty practices.

The bureaucratic structure, the collection of taxes and their use in the eighteenth century

The Manchus, who established their Qing dynasty in 1644, adopted many of the basic governmental institutions used in the preceding Ming dynasty. The Board of Revenue (*hu bu*), one of six functionally distinct ministries that comprised the basic central government structure, handled most revenue collection. A separate imperial household administration (*neiwufu*) took care of the imperial family's finances. To promote an effective vertically integrated bureaucracy, the Manchus followed some procedures begun in earlier dynasties as well as elaborating additional mechanisms for promoting desired behaviour. Strict laws of avoidance prohibited officials from serving in their natal provinces or with officials to whom they were related either by kinship or examination experiences. The emperor's goal was to inhibit the formation of networks of interest at lower levels that could be mobilized to oppose policies that he and his central government officials advocated. This goal was part of a larger agenda pursued by eighteenth-century emperors. Frequent rotation of officials kept them from developing close ties with local elites that might become a serious threat to central government control. The Manchus strengthened territorial administration by establishing routine provincial-level administration centred on the governor and the governor-general, the latter usually having administrative oversight of two provinces, while the former directly administered a particular province; the previous dynasty did not have these

[8] S. Fuma, 'Late Ming urban reform and the popular uprising in Hangzhou', in L. Cooke Johnson (ed.), *Cities of Jiangnan in Late Imperial China* (Albany: State University of New York Press, 1993), pp. 47–80; R. von Glahn, 'Municipal reform and urban social conflict in Late Ming Jiangnan', *Journal of Asian Studies* 50 (1991), 280–307.

positions as routine posts but instead sent out officials with these titles to address specific and extraordinary tasks. Qing governors, who initially numbered fifteen and grew to twenty-three later in the dynasty, were expected to play a leading role in the fiscal, military, legal, educational and welfare activities initiated by officials in their jurisdictions. Another important official at the provincial level was the provincial administration commissioner or provincial treasurer who was a Board of Revenue official; he shared responsibilities for provincial finances with the governor and governor-general.[9] The key level of government beneath the province was the county, where routine administration took place; more than 1,300 of these units existed across the empire. The county, together with the provincial level of government, formed the two most important bureaucratic strata outside the centre. County magistrates were responsible for initial land-tax collections and provincial officials for managing the use of revenues within the province, forwarding taxes to the capital, and diverting some resources to other destinations. With a more closely coordinated and vertically integrated bureaucratic chain of authority over fiscal resources, the Qing state could move its resources flexibly to respond to needs as they arose.

As under the Ming dynasty, land taxation supplied the majority of routine revenues used by the Qing state. Completing a process of commutation from grain to silver begun in the sixteenth century, the early eighteenth-century state continued to divide annual tax collections into two basic categories: funds statutorily kept within the province and those sent to the capital. Officials at the centre and the provinces shared authority over fiscal resources. Provincial officials could request funds from elsewhere at the same time as they could be ordered to send resources elsewhere. In the Ming dynasty roughly 40 per cent of the revenue collections were kept locally but in the Qing dynasty the figure was only 20 per cent.[10] Not only did the eighteenth-century government move more of the revenues it controlled to the centre and between provinces than the sixteenth-century government had done, but its officials serving at and below the provincial level possessed no fiscal authority of their own to make new levies, an ability that local officials in the previous dynasty had enjoyed. A system of checks and balances in which

[9] The governor's authority over the provincial treasurer increased in the second half of the eighteenth century. Z. Li, *Tang Song Yuan Ming Qing zhongyang yu difang guanxi yanjiu* [Studies of the relationship between central and local government in the Tang, Song, Yuan, Ming and Qing dynasties] (Tianjin: Nankai daxue chubanshe, 1996), p. 355.

[10] Y. Zhou, *Wan Qing caizheng yu shehui bianqian* [Late Qing fiscal policies and social changes] (Shanghai: Shanghai renmin chubanshe, 2000), p. 26.

responsibility for revenue collection and disbursal was shared among different officials further kept officials from acting on their own.[11]

The Qing fiscal system made it difficult for officials in any province to build up resource bases that could be kept independent of coordinated use by officials beyond their jurisdictions. This was one reason that local and regional officials were far less likely in this empire than in other agrarian empires to capture power and authority at the expense of the political centre. As a result of deliberate policies, the county level of government was chronically underfunded. County magistrates were expected to hire much of their own staff and pay them out of their own funds. These funds included fees they charged for adjudicating court cases and gifts offered by local elites seeking to win official favour. Concerned with the amount of informal revenue collection that some magistrates were engaged in, the Yongzheng emperor sought to supplement official salaries with a stipend to 'nourish virtue' during the 1720s.[12] But by the late 1730s, officials under the Qianlong emperor had decided to place those monies in the provincial treasury for ad hoc use as needs arose. Again the complementary principles of limiting resource concentration at local levels and encouraging resource flows coordinated within and between provinces to meet extraordinary needs meant that higher levels of government could manage taxation flows and expenditure demands without delegating to local officials so much responsibility that they might become separated from the vertically integrated bureaucracy. Higher-level officials also made inspections of the fiscal accounts of county officials on both routine and unannounced bases, thorough reviews being conducted when officials were reassigned. They could be held responsible for financial irregularities that were uncovered even after they left a particular office. The pressures on many officials, not only those at the county level, instilled in them what one scholar has called a 'probationary ethic'.[13]

The central government derived relatively little of its income from trade. Domestic commerce was lightly taxed and generally faced few restrictions from officials. Grain was a bit of an exception since officials were either anxious to protect local supplies from export to other parts of the empire areas or anticipating much-needed imports to feed their populations pursuing handicrafts and cash crops. Salt was the major

[11] Z. Zhou, *Wan Qing caizheng jingji* [Late Qing fiscal economy] (Jinan: Jilu shuzhuang, 2002), p. 3.

[12] M. Zelin, *The magistrate's tael: rationalizing fiscal reform in eighteenth-century Ch'ing China* (Berkeley: University of California Press, 1984).

[13] T. Metzger, *The internal organization of the Ch'ing bureaucracy: legal, normative, and communication aspects* (Cambridge, MA: Harvard University Press, 1973).

exception to unfettered domestic trade; for revenue purposes the state maintained control over production and distribution, registering salt-producing households and licensing merchants who enjoyed stipulated areas from which to buy and within which to sell. Annual revenues from licensing the salt trade reached some six to seven million *taels* annually during the second half of the eighteenth century.[14] The Ming state had depended on these merchants to help ship grain out to soldiers along the northern frontier, while the earlier Song state had taken an even more active hand in organizing lucrative trade ventures, but by the eighteenth century these types of state use of merchants or direct control over commercial activities were no longer important.[15] Foreign trade was also regulated with security issues more than revenue needs inspiring eighteenth-century state policies. Limiting commercial taxation generally and avoiding government restrictions on trade other than salt and foreigners seeking to trade at Chinese ports meant that most forms of trade developed without any official interference. There were relatively few opportunities for rent-seeking and other forms of economic distortion that reduced the efficient allocation of resources and products.

For 1766, land taxes collected in monetary form accounted for some 68 per cent of routine revenues, salt revenues about 12 per cent, commercial taxes 11 per cent and miscellaneous sources the remaining 9 per cent. If taxes collected in grain are expressed in terms of the monetary value and added to these totals, land taxes account for 73 per cent, salt 10 per cent, commercial taxes 9 per cent and miscellaneous 8 per cent of total revenues.[16] Land taxation rates were higher in the richer provinces and portions of the revenue raised in these provinces were sent not to the centre but to other poorer provinces. The two provinces of Jiangsu and Zhejiang, within which lay the Jiangnan delta, the empire's wealthiest region, accounted for roughly a quarter of the total agricultural tax of the empire but had probably less than 20 per cent of the empire's population.[17]

[14] B. Zhou, *Zhongguo caizheng shi* [A history of Chinese fiscal policies] (Shanghai: Shanghai renmin chubanshe, 1981), p. 434.

[15] T. Terada, *Sansei shonin no kenkyu* [An analysis of Shanxi merchants] (Kyoto: Dohosha, 1972); P. J. Smith, *Taxing heaven's storehouse: horses, bureaucrats, and the destruction of the Sichuan tea industry, 1024–1224* (Cambridge, MA: Harvard University Council on East Asian Studies, 1991); R. Bin Wong, 'Dimensions of state expansion and contraction in Imperial China', *Journal of Economic and Social History of the Orient* 37 (1994), 54–66.

[16] Zhou, *Wan Qing caizheng jingji*, p. 29.

[17] Y-Wang, *Land taxation in Imperial China, 1750–1911* (Cambridge, MA: Harvard University Press, 1973), pp. 89–90.

Officials serving in more-developed provinces recognized their roles as members of a larger vertically integrated bureaucracy to coordinate decision-making with officials in other provinces and at the centre to create both routine and extraordinary flows of resources to poorer areas. Without these resource transfers it is difficult to imagine how the Qing state could have succeeded in consolidating its frontiers. As a result, officials at least implicitly divided the agrarian empire into three kinds of zones. The most economically prosperous were commercially developed and produced fiscal surpluses to be used in the landlocked frontier regions that formed a second kind of zone. A third and intermediate zone of regions that utilized resources and techniques to replicate many of the practices first developed in the first kind of zone filled in the spaces between economic cores and the empire's frontiers.[18]

Some analysts might interpret the state's movement of resources to the frontiers as a diversion of revenues from locations where they would achieve higher returns on the assumption that if higher returns were to be gained in frontier settings, market institutions would have appropriately channelled them in that direction. There are at least two reasons that such assumptions are inappropriate and inadequate. An assumption of market allocation of capital and labour is inappropriate because factor markets integrating core and periphery were not available in the eighteenth century. The assumption is inadequate because the government's goals for moving resources included enhancing the political security of border regions by buttressing their social stability on a more secure economic foundation. The political viability of the empire was conceived by officials to depend, at least partially, on creating broadly comparable levels of material prosperity across all provinces. Even if such a goal was impossible to reach, it inspired deliberate efforts to improve production and distribution in ecologically poor and economically less-developed regions as basic components of good government.

The Qing dynasty was able to coordinate fiscal flows through a vertically integrated bureaucracy, using communications methods not yet developed under the Ming dynasty. But to be successful at penetrating widely and deeply below the county level beyond what was possible with the often meagre county-level staff, officials depended upon forming alliances with local elites. The challenge for the central government was to see that the local official–elite relations largely served the broader interests of central government and empire. A vertically integrated

[18] R. B. Wong, 'Relationships between the political economies of maritime and agrarian China, 1750–1850', in G. Wang and C.-K. Ng (eds.), *Maritime China and the overseas Chinese communities* (Wiesbaden: Harrassowitz Verlag, 2004), pp. 19–31.

bureaucratic structure was feasible in part because it reached below the county level in only some cases. The limited penetration of the late imperial state at the local level supports the image of an ineffective state. But this view ignores the trade-offs between deeper bureaucratic penetration of local society and the maintenance of a vertically integrated bureaucracy. It also downplays the significance of the lowest level of officials depending on elites to help them achieve good government.

The social and economic implications of official–elite relations

The Neo-Confucian agenda for local social order depended on local elites helping to repair roads, bridges and temples, to fund granaries and schools, and in some areas an even broader spectrum of benevolent activities, including orphanages and the care of widows. At the core of this local elite were individuals who had studied for the civil service examinations and consequently learned the same principles for promoting social order as officials understood. Taxes could be collected in smaller amounts and only a fraction kept at local levels and yet considerable services provided when elites met their Confucian duties to fund and manage various local institutions.[19] On occasion it seems that elites preferred to manage local welfare efforts without official participation, but the more common norm appears to be a mix of official and elite efforts with both finding the joint shouldering of these expenditures reasonable.[20] In some cases, officials attempted to monitor activities in a routine fashion, for example, community granaries, but in other cases there was little direct oversight.[21] Beyond issues of welfare, elites also were expected to exhort through moral example and mediate disputes to avoid recourse to official courts and law.

Officials and elites were subject to the same moral appeals. Officials and elites both knew there was only so much the one could expect from or demand of the other; there was little in the way of coercion and interest-based exchange was not made formal and explicit through the use of contracts and agreements in the way typical of European government–elite relations in the early modern era. Officials and elites in early modern Europe had more reasons to develop clear contractual understandings as this was a period in which successful rulers and their

[19] Wong, *China transformed*, pp. 105–26.

[20] M. Mori, 'Juroku-juhachi seiki ni okeru kosei to jinushi denko kankei' [Famine relief and landlord–tenant relations from the sixteenth to eighteenth centuries], *Toyoshi kenkyu* 27 (1969), 69–111.

[21] Will and Wong, *Nourish the people*, pp. 63–9.

centralizing bureaucracies were extending and deepening their control over local societies. In fiscal terms, ever-increasing state needs for funds to build armies and bureaucracies meant that some kinds of negotiation and exchange were increasingly necessary to garner the desired monies; European states with parliamentary forms of government ended up raising more taxes than those without.[22]

The eighteenth-century Chinese state had long had a large and complex bureaucratic structure and had long solved the challenges of competing with well-organized elites like European nobilities, urban elites and clerics. Well before European states would promote common cultural activities in the nineteenth century, Chinese governments had been engaged in a cultural project of creating an empire of Confucian believing and acting subjects. Good governance in a Chinese vein depended on all these features. Success in the eighteenth century depended on the emperor and central government officials aggressively pushing policies intended to implement a Neo-Confucian agenda of social order. This agenda included land clearance, the dissemination of agricultural and craft knowledge, water control and grain storage as methods to improve the population's material security.

Local elites joined officials by contributing some of the funds necessary to implement Neo-Confucian policies of social order. Both officials and elites pursued these activities. Because these were conducted at the local level and information on expenditures did not reach higher levels of government consistently, it is impossible to estimate the aggregate scale of these expenditures. We know, for instance, that a mix of official and elite financial and organizational efforts was responsible for the additional storage of tens of thousands of tons of grain, between the mid-1730s and early 1780s.[23] The political significance of the relationship between officials and elites has been debated by specialists due in part to the absence of a clear division of labour between officials and elites and their joint interest in maintaining social order. Some believe elites support officials, while others claim that officials support the social order of local elites. Another uncertainty concerns the inclusion or exclusion of local elites within what we think of as the government. Both ambiguities become less important if we accept the mutual benefits accruing to both local officials and elites with their joint efforts to supply local social goods and services. The state relied upon local elites to meet a portion of the material and organizational demands of

[22] P. T. Hoffman and K. Norbert, *Fiscal crises, liberty, and representative government, 1450–1789* (Stanford University Press, 1994).

[23] Will and Wong, *Nourish the people*, pp. 63–72.

local order, in addition to relying on bureaucratic capacities to move resources across areas in a flexible manner, an ability that reduced the need of any particular area to build up fiscal reserves. Despite the frequent successes of these efforts, there were times when the state needed to mobilize and spend larger sums of tax monies.

Extraordinary fiscal operations in the eighteenth and nineteenth centuries

The formation of European states after 1500 makes us very familiar with rulers aggressively seeking to expand their resource bases. The development of financial markets and banking institutions was intimately related to the efforts that European rulers made to secure loans. In contrast, before 1850 Chinese state officials did not borrow against future revenue streams; instead, they moved resources around the empire to meet some of their extraordinary needs. This spatial flexibility over a territory as large as Europe's many countries considered together allowed the Chinese state to substitute spatial transfers for temporal ones. In addition to seeking loans, European rulers relied increasingly on non-routine taxation. The Chinese state also made extraordinary efforts to raise revenues, but unlike European states, did not chronically make such efforts until after 1850. Also unlike European states, the Chinese reasons for resource mobilizations before the mid nineteenth century were not so exclusively military. The episodic nature of extraordinary Chinese revenue demands and their use for civilian as well as military purposes are both significant. First, the Ming and Qing states did not chronically press upon their subjects demands for new and additional revenues – a practice that would have been fundamentally inconsistent with Chinese norms of good governance. Second, because the purposes of extraordinary fiscal operations in fact yielded direct benefits to many people, the kinds of friction and difficulties encountered by European rulers could be less problematic in the Chinese case.

While we comfortably employ the term 'campaign' to refer to military operations, scholars rarely refer to civilian government activities in the same terms. Yet the use of 'campaign' to refer to a recurring feature of Qing administration is useful. These governmental efforts varied in their intentions, processes of development and institutional outcomes, but they all required intensive bureaucratic labour and often entailed additional resources beyond what was easily available within the government. Consider below two kinds of examples.

Irrigation projects specifically and water control works more generally, for example, often required state-led campaigns. The degree of

official monitoring and regulation after the project's completion varied considerably. All water control projects were intimately enmeshed within particular ecologies.[24] Amidst spatial variations, some temporal trends can be discerned. In general, the early Qing state made efforts to organize water control projects in different parts of the empire. Typically, officials would mobilize resources and manpower to make major repairs and seek to establish a framework within which the maintenance of water works could be managed by local officials and elites working together. This logic of relying on campaign-like bursts of activity to order water control efforts followed by modest routine activity by officials was progressively undermined by the competing interests of parties to water control efforts. Those people whose land reclamation efforts narrowed river channels and diminished lake surfaces promoted the dangers of flooding and brought them into conflict with officials seeking to avoid natural disasters. Even without these problems, the technical challenges of water works wearing out and rivers shifting their course alone would have made desirable repeated large-scale mobilizations of manpower and resources. Water control efforts were typified by bursts of bureaucratic energy and resources devoted to creating stable situations that became increasingly difficult to maintain without subsequent campaign efforts. Zhou Zhichu estimates routine river conservancy and water control projects to cost more than two million *taels* annually in the eighteenth century. Special projects of extraordinary repairs amounted to another 1.5 million *taels* annually. Finally, he estimates the combination of routine and extraordinary repairs needed for the sea coast water works in Jiangnan to be another half million *taels* annually for a total of some four million *taels* annually, nearly half of which entailed non-routine expenditures.[25]

A second example comes from food supply management issues. The granary system depended for its expansion on periodic campaign-like efforts to mobilize and store additional amounts of grain. These succeeded between the late seventeenth and late eighteenth centuries in amassing hundreds upon hundreds of tons of grain. Unlike water control issues, there weren't ecological dangers created by the granary system's expansion, though some officials pondered the possibilities of

[24] A. Morita, *Shindai suiri shakaishi no kenkyu* (Tokyo: Kokusho Kankokai, 1990); P. Perdue, 'Water control in the Dongting Lake Region during the Ming and Qing periods', *Journal of Asian Studies* 41 (1982), 747–65; P.-E. Will, 'State intervention in the administration of a hydraulic infrastructure: the example of Hubei Province in late imperial times', in S. Schram (ed.), *The scope of state power in China* (Hong Kong: Chinese University Press, 1985), pp. 295–347.

[25] Zhou, *Wan Qing caizheng jingji*, p. 27.

official operations interfering with market principles. Like water control processes, the challenge of creating routine maintenance and supervision proved in some ways more difficult than mobilizing men and resources for a campaign-like effort to establish granaries and subsequent campaigns to augment their reserves. One important mechanism to raise funds to expand granary reserves was to sell the status of low-level degree holders to wealthy people seeking to increase their symbolic and social capital. The cost was typically over one hundred *taels* for a degree. Through such programmes, initiated and managed at the provincial level, several million *taels* were collected, as well as contributions in kind, between the 1720s and the 1740s. Later efforts in the 1760s to use this technique for grain mobilizations were less successful.[26]

In contrast to successful early modern European states that were seeking to expand their bureaucratic capacities and fiscal resources, the Qing officials preferred to mount extraordinary campaigns with uneven efforts at routinizing the products of these initiatives. The Qing state preferred to maintain a low statutory rate of land taxation and add to this various land surtaxes and other taxes on an as-needed basis. A second contrast with European state-building concerns – the relationships between officials and elites – has been sketched in the previous section. Central governments in Europe expanded their capacities and claims at the same time as the limits to their expansion were increasingly clearly drawn; those boundaries would be repeatedly renegotiated, in the process affirming the importance in many cases of a divide between 'state' and 'civil society'. In China, elites were mobilized by officials to help implement campaign-like initiatives in the case of granary construction; elites worked in more uneasy collaboration and at times competition with officials with respect to water control and land clearance. While distinctions similar to 'private' and 'public' were drawn in some instances, these did not become part of larger negotiations demarcating well-bounded spheres of autonomy and activity for elites.

The campaign-like nature of state activism in Qing China resulted in varying degrees of institutionalization. Some government campaigns created results that officials were expected to add to their monitoring activities. Sometimes these could be operations over which only a cursory inspection was maintained, as was often the case with water control activities. For other activities, however, there could be new procedures created. The mid-eighteenth-century push to expand granary reserves outside the county seats meant creating accounting procedures for the annual reporting of changes in stocks by individual granaries to the

[26] Will and Wong, *Nourish the people*, pp. 49–53.

county government, by county officials to the province and by provincial officials to the central government. In both the water control and granary cases, official campaigns were intended to put in place operations for which elites would often take immediate responsibility. Both water control activities and food supply management also include examples of competing interests among officials and elites. Officials worried about private land reclamation schemes that increased flooding possibilities, while elites could prefer managing food supply crises without official supervision of their activities.[27] These differences did not, however, promote a fixed and formal division of official and elite activities into separate spheres of activity. The shifting boundary between government and private activities was less often a barrier than a fluid marker of the state's intermittent intervention into activities to promote social order, as data on both granaries and local schools suggest.[28] Granary administration became part of the eighteenth-century county magistrate's regular duties; he was expected to keep accounts for both the ever-normal granary in the county seat as well as the community and charity granaries often dispersed throughout the county. The limitations to the routine taxation and monitoring of granaries underscore the fragility of government institutions.

Many specific institutions of local order, including granaries, schools and the *baojia* system of household registration for mutual surveillance were created through intensive efforts but were unlikely to be sustained at a high level of effectiveness for more than a few decades without infusions of resources or organizational energy. The combination of civilian campaigns and fragile institutions allows us to reconcile superficially contradictory images of the state as aggressive and interventionist or as weak and ineffective. Both images have their foundation in realities that vary both spatially and temporally across the empire. In general, the eighteenth-century state was more activist toward local social order than its nineteenth-century successor; state efforts were more salient in the peripheries of provinces, regions and the empire than in economic and political cores. But even when eighteenth-century officials embarked on major campaigns to promote domestic social order they recognized a tension between increased official efforts and a reliance upon local elites and communities to be more self-regulating and self-

[27] See Morita, *Shindai suiri shakaishi no kenkyu;* Perdue, 'Water control in the Dongting Lake Region during the Ming and Qing periods'.

[28] R. B. Wong, 'Confucian agendas for material and ideological control in Modern China', in T. Huters, R. B. Wong and P. Yu, (eds.), *Culture and state in Chinese history: conventions, accommodations, and critiques* (Stanford University Press, 1997), pp. 303–25.

sustaining. The Yongzheng emperor's expansion of official interventions led to some routinization of expanded official responsibilities in the early Qianlong reign, but by the 1760s and the 1770s officials were more likely to rely upon elites and communities to manage local institutions on their own. The pattern of civilian granary activities in the eighteenth century exemplifies these spatial and temporal dimensions of state activism. From per-capita granary reserves, officials generally stored more grain in provinces that were less economically developed and politically more peripheral, while periodic bursts of effort to expand granary reserves in the first half of the eighteenth century were followed by increasing efforts to routinize supervision and accounting, culminating in the late nineteenth century with decisions to reduce official supervision of some operations and an overall decline in granary operations.[29]

The bursts of government energy that made sharply visible the presence of official activities to large numbers of people were often prompted by imperial decisions. The ability of eighteenth-century emperors to invoke large-scale bureaucratic responses to their directives evokes for outside observers images of autocracy and despotism. But we should note as well the limited duration of these intensive government-led campaigns and the uneven institutionalized results they produced – uneven by design as much as by default. Neither the emperor nor his officials generally favoured expanding the government's tax base beyond what was deemed minimally necessary. A central ideological commitment to light taxes oriented officials towards seeking resource-efficient means to keep routine government activities inexpensive if not few. The limited temporal duration of political campaigns and of much of the financing associated with them means that the abilities and intentions for what some observers have conceived as despotic behaviour were less present than we might expect. At the same time, the repeated mounting of political campaigns for a wide variety of purposes means that images of a lumbering and ineffective state distant from the people and largely irrelevant to them also fail to focus on the range of activities undertaken by the government. Early and mid Qing dynasty political campaigns undermine the beliefs in either a despotic state or an irrelevant state. Neither half of this binary choice proves particularly persuasive in accounting for what the eighteenth-century state became able to do.

The crucial importance of political campaigns to Qing dynasty strategies of government undermines two additional binary contrasts. First, there is a contrast between 'arbitrary' power and 'infrastructural'

[29] Will and Wong, *Nourish the people*, pp. 23–92, 296–300.

power as alternative forms of political power.[30] We tend to think of the capacity of rulers to exercise their personal whims to be the opposite of bureaucratically organized power generating rule-governed operations. But what the example of the Qing state suggests is a far more complementary relationship between the two. The eighteenth-century government bureaucracy responds to a range of initiatives, those prompted by the emperor being among the most important. For their parts, the Qing emperors increased and improved the structures through which they could amass information from officials and deliberate on appropriate policy choices across a wide range of subjects. Imperial capacities for effective intervention depended crucially on expanding bureaucratic infrastructures. Such interventions were arbitrary in the sense that they were not simple outcomes of law-like rules, but they were often not arbitrary in the sense of being taken on a whim and without careful reasoning. A second binary contrast between 'extraordinary' and 'routine' operations is also undermined by Qing state activities. Chinese bureaucratic infrastructures expanded in the eighteenth century, but these capacities were not utilized in the same manner from year to year. Many activities, including some of those associated with water control and food supply management, were too infrequent to be labelled 'annual' or 'routine' and yet they took place more commonly than seem to fit the conventional meaning of 'extraordinary'. The repeated use of political campaigns and their different institutional outcomes fall along a continuum with 'routine' and 'extraordinary' as simply the two distant endpoints.

I use the term 'campaign' for these Chinese practices because it allows me to relate these practices to twentieth-century political developments in China. In the present comparative context it may help more to highlight the features of Chinese campaigns that parallel fiscal practices of more recent times in a wider variety of settings. These Chinese campaigns are akin to much later public works or school projects in the United States funded by special tax or bond initiatives. Both raise resources for specific purposes quite separate from routine operations.

The expansion of the Qing state allowed for both spatial and temporal variations in the character of bureaucratic activities, some in principle, and others simply in practice. We've seen various indications that the importance of local conditions was generally recognized: the mixes of official and elite efforts varied according to local conditions; government directives frequently acknowledged the importance of local conditions, while official deliberations often included consideration

[30] M. Mann, *Sources of social power* (Cambridge University Press, 1986).

of local and provincial variations. The intermittent nature of political campaigns is only the most salient feature of temporal fluctuations in the intensity of official efforts. More generally, officials were expected to respond to potential problems before they became large and unwieldy. This meant sustaining surveillance strategies to pick out annoyances before they became significant. This vigilant anxiety about local order did not mean reporting every minor problem to higher levels since, unless such problems became serious, the locale was in fact well ordered as far as higher-level officials were concerned. Once, however, difficulties came to the attention of higher-level officials it was easy to cast blame on lower-level bureaucrats for their failure to anticipate the now more serious problems.

In searching for difficulties, activities that otherwise were tolerated became unacceptable because of the outcomes they putatively caused. The likelihood of such situations arising increased during the late eighteenth century owing to three sets of factors. First, the more activities officials engaged in, the more likely they were to make mistakes, to do something that caused a problem. Second, the more that official activities required coordination among officials making their own decisions, the more likely that disagreements and failures to discharge responsibilities would take place. Third, difficulties could increase because of changes in the larger social and natural environments within which government activities took place. The increase in government activities from the mid seventeenth to the late eighteenth centuries did create problems that were noted by officials but in large measure these were kept under reasonable control. Sometimes it meant scaling back government activities; at the end of the eighteenth century it often meant reducing the degree and complexity of inter-governmental coordination, in particular among provincial-level officials.[31] But the intrinsic challenges of sustaining the kind of intermittent political campaigns of a state with a complicated vertical hierarchy at the top of which sat activist emperors were in large measure met as the state was transformed over a century and a half of increasing direct and indirect intervention.

Not until the final years of the eighteenth century did it become clear that there were both internal bureaucratic and external changes in environment that made the likelihood of sustaining the trajectory of expanded state activism both less likely and yet more necessary for social stability and political security. During the first half of the nineteenth century, provincial treasuries were depleted, in part because of

[31] The reduced coordination among granary operations across provinces is a particularly clear example. Will and Wong, *Nourish the people*, pp. 75–98.

the costs of suppressing a large rebellion at the end of the eighteenth century. Fiscal poverty led officials to collect additional surtaxes and face additional protests from people unwilling to pay higher taxes. But these difficulties pale before the fiscal challenges that would emerge at mid century and, perhaps surprisingly, be met by the state. Gone for good were eighteenth-century social stability and political success which depended on the techniques of good governance and relationships among officials and elites presented above. In the second half of the nineteenth century, the state could no longer limit itself to low levels of taxation or supply the goods and services it previously had.

Fiscal expansion and state transformations, 1850–1914

Beginning in the 1850s, the central government faced a number of very large rebellions as well as several smaller-scale challenges to its authority in other areas. A combination of bad harvests, exhausted ecologies and growing populations in poorer areas created many locales that were difficult to govern. These were not areas where simply keeping taxes at a low level would make them thrive. They were instead economically peripheral areas that were ecologically fragile. Efforts to impose official order when the dangers of unrest surfaced often incited further opposition to the government. Through several distinct sequences of mobilization and protest, rebellions emerged in different parts of the empire. It would have been easy to predict the fall of the Qing dynasty in the 1850s as it faced widespread unrest with no certain ways of expanding its fiscal and military powers necessary for continued control. The state, however, did mobilize the monies and manpower needed to quell the disturbances. Fiscal expansion was a fundamental component of the state's transformation. These changes entailed the destruction of a previously successful logic of low taxation and good governance.

The late nineteenth-century failure to sustain the logic of good governance typical of the eighteenth century was simultaneously an indicator of the state's success at rapidly expanding its revenues when new demands arose.[32] In 1849 the government raised some 42.5 million *taels* of revenue, with 77 per cent of this coming from agriculture and the balance from commerce. Thirty-six years later revenues had climbed to more than 77 million *taels*, the increase largely due to a quadrupling of the commercial revenues. Expenditure levels had remained in the range

[32] This and the following paragraph are based on Wong, *China transformed*, pp. 155–6.

of 30–40 million *taels* annually between the 1720s and the early 1840s. They then doubled to 70–80 million *taels* annually between the 1860s and the early 1890s.[33] The capacity to increase revenues and expenditures in this manner is hardly the sign of a weak state, as the Chinese state of this period is often portrayed. But it is an indicator of a significant transformation.

Much of the increased revenue was raised through the Maritime Customs collections. In addition to being used as security on foreign loans which were used to help pay for the 1867 Muslim rebellion suppression in north-west China, customs revenues were used in the 1880s to build railways.[34] The development of Chinese central government control over customs revenues is a clear indication of the state's ability to create new infrastructural capacities. When the late-nineteenth-century central government is not judged by its failure to survive beyond 1911 but is instead compared with the eighteenth-century central government, its fiscal capacities were clearly augmented, in part because it adapted certain foreign methods of raising funds.[35] But these Chinese increases were nothing compared to the nearly 302 million *taels* of revenue gathered in 1911, the final year of the dynasty – agricultural taxes had grown from roughly 30 to roughly 50 million *taels* with another 45 due to miscellaneous sources; more than 207 million came from commercial taxes – whatever the late Qing state's weaknesses, raising money was not among them.[36] Unfortunately, the Japanese indemnity equalled a full year's receipts and the Boxer indemnity was one-and-a-half times as large. These are the charges that made China's fiscal situation so precarious and ultimately untenable.

The expansion of new revenues and new expenditures threatened older ideas about good governance. Officials and elites were

[33] T. Hamashita, *Chugoku kindai keizaishi kenkyu* (University of Tokyo Institute of Oriental Culture, 1989), p. 66.

[34] Ibid., pp. 68, 72.

[35] Hamashita (1989) and Peng (1983) both discuss the expansion of state revenues and expenditures after the 1860s. Like Wei (1986), they generally see a weakening of central government control over finances. Li (1990), however, reminds us that even if provinces developed considerable autonomy in the collection of new taxes, they used them in the 1860s and 1870s to fulfil central government financial needs. By the closing decades of the nineteenth century, the central government asserted more control over revenue mobilization and disbursal. S. Li, *Ming Qing caijing shi xintan* [A new study of Ming and Qing period economic and fiscal history], (Taiyuan: Shanxi jingji chubanshe, 1990), p. 334; Z. Peng, *Shijiu shiji houban qi de Zhongguo caizheng yu jingji* [Chinese fiscal administration and economy in the second half of the nineteenth century], (Beijing: Renmin, 1983); G. Wei, 'Qingdai houqi zhongyang jiquan caizheng tizhi di wajie' [The collapse of the fiscal system of central authority in the late Qing], *Jindaishi yanjiu* 1 (1986), 207–30.

[36] Wei, 'Qingdai houqi zhongyang jiquan caizheng tizhi di wajie', p. 227.

increasingly unable to meet these older expectations for several reasons. Fundamental to the difficulties was the increasing taxation that undermined earlier political logics. First, extraordinary mobilizations of resources and manpower were no longer campaigns of limited duration that occurred in any one area infrequently. During the second half of the nineteenth century fiscal and bureaucratic expansion became chronic. Second, local elites were increasingly brought into more formal government positions, including tax collection. Their broadening responsibilities made close monitoring of their activities more difficult and allowed the possibilities for abusive behaviour to grow. Third, the success at expanding late-nineteenth-century revenues came at the cost of creating new bureaucratic structures that became difficult to organize and coordinate through a vertically integrated bureaucracy. Some new operations, like the Imperial Maritime Customs Administration, were simply separate; others, like the transit tax (*likin*) collections, were gradually incorporated into the regular bureaucracy, but their presence complicated fiscal coordination among levels of the government greatly. Fourth and finally, by the first decade of the twentieth century, central government officials were so anxious for revenues that they cared little how provinces came up with funds as long as governors forwarded the amounts the centre made them responsible for collecting.

Not only did the thirst for additional revenues become almost a chronic condition after 1850, but the institutional mechanisms the eighteenth-century state might have used to move resources between provinces to meet pressing needs no longer functioned. Provincial treasuries had been depleted in the first half of the nineteenth century and the land tax, the principal source of resources before, was simply inadequate. The turn to domestic transit taxes and to maritime customs was meant initially to fund military responses to domestic rebellion and subsequently to finance the government's responses to foreign challenges. As provincial-level officials took the initiative to raise new funds and form armies to defeat rebels in the 1850s and then to develop new industries and arsenals in the 1860s and 1870s, they gained powers they previously had not enjoyed. But it would be too simplistic to view these changes as a simple devolution of power to the provinces for three reasons. First, provincial officials continued to identify with the political centre; they were not aiming to establish autonomy and ultimately to compete with the centre in order to become independent. Second, the central government subsequently developed increased supervision over both transit taxes and maritime customs through new forms of accounting designed explicitly to keep track of these revenues

that previously had not existed.[37] Third, the centre was able to develop new principles of assigning to provinces many resource responsibilities at the very end of the dynasty; provinces may have been left to their own devices for meeting the centre's demands, but they accepted the needs expressed by higher levels of government.[38]

The central government made efforts to consolidate its control over new sources of revenue like transit taxes and maritime customs and over older sources that were being rapidly expanded, such as the salt administration. The Imperial Maritime Customs Administration was a joint Sino–Western bureaucracy led by a British bureaucrat formally serving the Qing state. The import and export taxes collected by this administration provided a crucial source of new revenue and future collections were used as the guarantee on loans made by foreign banks. Indeed, the connection between foreign banks and the Maritime Customs Administration grew even closer by the early twentieth century when these tax collections were deposited in Shanghai's foreign banks, which then transmitted funds to Qing officials.[39] The Maritime Customs Administration came to handle domestic transit tax collections as well. After the fall of the dynasty in 1911, the Salt Administration also took on foreign leadership and, like the Maritime Customs Administration, became an effective central bureaucracy.[40] At the same time, these bureaucracies were not integrated either with other central government bureaucracies or as part of a larger vertically integrated bureaucracy typical of the eighteenth century. In the late nineteenth century the central government also made quite separate efforts to increase its control over its agrarian tax base for two reasons. First, officials recognized that problems with local governance attended the expansion of tax collections at the local level, and the inability to meet the older norms of good government meant a greater need for efforts at monitoring and regulation. Competing with this concern was a second matter that became increasingly pressing after 1900, namely, the need to insist that all locales meet ever-larger demands for taxes needed to pay off the massive indemnities imposed by foreign governments after troops from eight countries marched into Beijing to demand that the government punish the Boxer rebels who

[37] K.-C. Liu, 'Wan Qing dufu quanli wenti shangquan' [A discussion of the problem of late Qing provincial governor power], in Liu, *Jingshi sixiang and xinxing qiye* [Statecraft thought and new industries] (Taibei Shi: Lianjing, 1990), pp. 247–93.

[38] Li, *Ming Qing caijing shi xintan*, p. 334.

[39] Hamashita, *Chugoku kindai keizaishi kenkyu*, p. 85.

[40] J. C. Strauss, *Strong institutions in weak polities: state building in republican China, 1927–1940* (Oxford University Press, 1998).

were threatening foreign (and Chinese) Christians with death and the destruction of property.

The massive indemnities imposed in 1895 by the Japanese after defeating the Qing in a war concerning their competing power and influence over Korea, and in 1900 by the consortium of countries responding to the Boxers, defined the fiscal demands on the last imperial state in China. It becomes impossible to think meaningfully about the state's use of fiscal policies to support economic growth specifically or economic activities more generally since its over-riding purpose had become meeting the foreign-imposed demands for huge sums of money. The Qing state had made a long and unhappy journey from its eighteenth-century situation when it had been able to maintain low rates of taxation, promote and coordinate services and goods provided by lower levels of government, and avoid preying heavily upon commercial wealth for its own purposes. The principles of good governance worked in an eighteenth-century world in which the foreign pressures on the Qing empire were largely limited to groups coming off the steppe. By deliberately limiting the capacities of county officials to amass and disburse revenues the central state was simultaneously better able to keep control over its bureaucracy and to insulate its subject population from major rent-seeking extraction by its officials. This approach, however, also forced local officials to create their own financial opportunities and mechanisms to pay for their bureaucratic costs and, as the demands on local officials grew in the nineteenth century, the institutional logic of the eighteenth-century state was no longer as effective.

The collapse of the Qing dynasty in 1911 spelled the end of an imperial system of rule, marked for several centuries by the elaboration of a vertically integrated bureaucratic structure. Provinces declared their 'independence' of the centre to bring down the last dynasty and some reasserted their 'independence' in 1913 and again in 1916. One of the important ways their defiance of the central government was expressed came from refusals to forward land taxes. Until the mid century, when the Communists came to power, no government could claim to rule the entire country through a vertically integrated bureaucracy that they controlled down to the county level. Not surprisingly, there wasn't any coherent fiscal system either. Difficulties came from two directions. On the one hand, the eighteenth-century bureaucratic system for collecting revenues no longer functioned; the nineteenth-century development of the *likin* and the maritime customs both occurred outside the previous structures and the latter especially promoted the development of functionally specific bureaucracies, complicating intra-bureaucratic relations. On the other hand, local needs for revenues began increasing in

the first decade of the twentieth century as counties were told to begin new schools, fund police forces and pursue other projects intended to improve administration; in later decades increased exactions continued to be made for a combination of military and civilian purposes.

Increasing demands for tax revenues by competing levels of political authority created a complex and chaotic fiscal situation. The proportion of revenues going to services that people could recognize as beneficial declined as domestic war-making between rival military figures grew after 1916 and the costs of doing government business in the style of Western governments rose. Similarities between twentieth-century China's fiscal situation and those of European states in an earlier era are qualified by two important sets of differences. First, Chinese elites did not develop institutionalized forms of representation that allowed them a voice in negotiating the taxation needs of the government. Related to this are far larger differences in the construction of political authority and relations between rulers and their subjects. Second, however intense the competition among Chinese political leaders became, the ideal of a central government asserting authority over a territory the scale of Europe was never seriously challenged. The Chinese Communist revolution, for all its dramatic changes, restored a unitary state in which fiscal issues were once again decided at the centre and the definitions of good governance stressed the goal of material security for urban and rural masses.