

Modern China Lecture November 3 2022 with Taisu Zhang

- [Speaker] It said everybody got quiet.

- [Speaker] The anticipation building.

- Okay. Sorry for the slight delay there. But hello, good afternoon, and welcome to the Fairbank Center's Modern China lecture series. My name is Arunabh Ghosh. I teach Chinese History in the history department here, and I also convened this lecture series. Before I introduce our speaker today, I just wanted to flag the two remaining talks this semester. On November 17th, which is a Thursday at 4:00 PM, we'll have Benno Weiner from Carnegie Mellon University, delivering a talk titled, "This Absolutely Is Not A Hui Rebellion: the Ethnopolitics of Great Nationality Chauvinism in Early Maoist China." And then our final talk of the semester will be delivered by Lin Wu of Arizona State University on November 29th, which is a Tuesday at 4:00 PM, and her talk is titled, "The Politics of Martyr Commemoration in Modern China and Contemporary Taiwan." So, please look out for the formal announcements. Like with this talk in the previous two this semester, they'll be hybrid, in person and online as well. But today, it's an absolute pleasure to welcome and introduce our speaker. Taisu Zhang is professor of law at Yale Law School. He also holds a secondary appointment as professor of history in the Yale History Department, and is also a global faculty member at the Peking University Law School. Taisu's work ranges across comparative legal and economic history, private law theory, and contemporary Chinese law and politics. He's the author of two books; the soon to be published, I believe the website now says December of 2022, as you can see over there, "The Ideological Foundation of Qing Taxation: Belief Systems, Politics and Institutions." And of course, that's the subject of our talk today, so we'll be learning a lot more about it. He's also the author of, "The Laws and Economics of Confucianism: Kinship and Property in Pre-Industrial China and England," which was published in 2017 by Cambridge University Press, and won the 2018 President's Award from the Social Science History Association and the 2018 Gaddis Smith Book Prize from the Yale McMillan Center for International and Area Studies. He's now at work on a third book, which, together with the two books I've just mentioned, will complete a trilogy on the institutional and cultural origins of early modern economic divergence. And this third book is tentatively titled, "The Culture and Legal Origins of Economic Divergence: China and the World, 1700 to 1984." And of course, many of you are familiar with his work. He's widely published in a range of journal articles, and also in the popular media. He's a regular commentator on Chinese law, Chinese society and politics. It's interesting Taisu is a Yale product out and out. His undergraduate degrees, I should say, in history and mathematics, his JD and his PhD are all from Yale. PhD in history are all from Yale. That being said, before he ended up at Yale Law School, he did teach at Duke and at Brown. So, there was a bit of hiatus I

guess. Before I hand things over to Taisu, a few words about format. Taisu will speak for about 35 to 40 minutes, and we'll then follow with Q and A for about half an hour, maybe a little longer, if we need to go up to that. But ending between 5:15 and 5:30. And for those of us who are joining us online, please feel free to use the Q and A function in Zoom to type up your questions. We have a great audience here in the room, so I'll probably give priority to the people in the room during the Q and A session, but I will do my best to try and include some questions from the online audience as well. Okay, so Taisu, a very warm welcome and over to you.

- [Taisu] Well, thank you. So, thank you for hosting me. Thank you guys for coming to this talk. This was designed to be a book talk, after the publication of the book. As you can see from this thing, the initial publication date was August. I don't know exactly how it kept getting pushed back. I think the most precise reason was my publisher messed up some of the endorsements. They actually just lost some of the endorsements for the book, and they had to find those again, and given the understaffing at Cambridge, and I think at almost any press these days, it's getting pushed back more and more. At this phase, I came in expecting that I would basically at least be able to tell you guys that it was gonna come out in two weeks. At this point, it's gonna be at least a month. And frankly, I wouldn't be that surprised if this thing went on into early next year. Nonetheless, the book is substantively complete. I know exactly what it's about. You'll see it soon-ish at some point, if you're interested. The topic is the ideological foundations of Qing taxation. Let me talk a bit about what exactly I was trying to do in this book. As Arunabh was kind enough to tell you guys, this is the second book in a planned trilogy of books on the quote unquote "divergence". Although personally, I'm moving away from saying, "The great divergence," per se, as opposed to giving a general account of the rhythm and pace of Chinese economic developments in the 20th century. The main analytical movements that I make across all three of these books, the third one is being written at the present time. I'm two chapters into the third book. Is that I have a certain kind of institutional bent towards economic phenomena, and then I have a certain kind of cultural bent to explain institutional change. Now, there's obviously a massive focus in literature on this. Some of you guys may be quite familiar with this, on Pomeranz, Bin Huang. On non-China side of things, Joe Mokyr, Robert Allen, Doug North, Deirdre McKlosky, Bill Hoffman, and then some other classics in the Chinese, going back to Huang and Jack Goldstone, and so on and so forth. It goes all the way back. This is one of the eternal topics in the social sciences. Every single generation of social sciences produces at least some of its own version of its answer to this problem. Goes all the way back to Max Weber, and so on and so forth. That said, the angle that I come at this problem in these three books is there's a general observation that for all the theories being thrown around about what caused the divergence, there's been relatively less attention paid. Well, it used to be that, back in

the 1980s and 1990s, before China became this economic juggernaut, you could tell the story of Chinese decline without really looking at the start of Chinese reemergence post 1930, more or less. 1930 was around the time where China began to grow faster as industrial economy than Japan and England did. And you could tell the story of decline without telling the story of the emergence, because the reemergence was not so set. I think nowadays, it's less and less defensible to actually do that. So, this book tries to break away from this normal mode a little bit, and actually tell both sides of the story. How China declined, and then how it reemerged, as a measure of power. And the claim that I want to make across these three books, which I'm not gonna get into obviously in this talk, is that perhaps the most important factor that can actually tie these two things together is capital accumulation. The argument is that at least one of the main problems with the Chinese economy prior to 1930, was that it lacked adequate amounts of capital accumulation, specifically for the purposes of industrialization. The economy was doing fine, by all kinds of measures. It just didn't have the kind of capital accumulation that you needed to utilize late 19th century, early 20th century industrial tech. And then, it had nearly all of the other conditions that we would associate with modern economical authority pretty much in place. Markets, property rights, political commitments by the state, so on and so forth. That capital accumulation. But then, once you begin to solve the capital accumulation problem, mainly through state building in the 1930s, '40s, '50s, '60s, onwards, you have much more robust economic work almost immediately. By the 1980s, when you finally have a full reconvergence of both high levels of capital accumulation, and a relatively more robust market economy, well you have lift off. This is not something that's really been talked about in the previous literature. And so, this is the focus. Then, the question becomes, "Well, how do you get capital accumulation in a pre-industrial economy?" And so, this is why I ended up writing the trilogy of books, instead just one book. The claim is that you can have in pre-industrial economy is pretty much three major paths towards capital accumulation. You can have bottom up snowballing. Bottom up snowballing of mainly landed wealth. You see this in England quite a lot prior to 1650; larger landholders taking over land from smaller landholders. They get large enough, some of them at least invest in industry. That becomes part of the capital world, early modern English industry, and so on and so forth. The second is what you might call top down capital accumulation. This is the subject of this book, which is top down state extraction. Fiscal capacity taxation, state corporation, and so on and so forth. And then, finally there are, horizontal modes of capital accumulation, like joint ventures, corporations, capital markets, other kinds of things. And so, as you can see now, all three of my books, more or less, each of my books corresponds to one of these mechanisms. The first book was about property markets and landed property. The second book is about top down taxation. And the third book will, apart from making the economic argument, also talk about capital markets and corporations. Now, the

claim is frankly, if you want to have adequate amounts of capital accumulation, all you really need is one of these mechanisms to be working in your economy. And most of the economies actually had more than one mechanism working. Like England, for example, had all three. Possibly, that was one of the reasons why England was the first to industrialize. But China was arguably quite unusual. Very unusual, actually, in the early modern economy, in the sense that they had none of these mechanisms. Now, capital accumulation is not the only thing, but it's like a necessary condition, and China was amongst the very few countries on earth at that point that didn't at least check the box on this one condition, because it had none of these mechanisms going for it. That's the general framework for all three books. The specific motivation for this particular book is the observation that I think is now pretty much widely shared, that pretty much any social scientist works on this issue, which is the late imperial Chinese state, and especially the Qing state, was unusually fiscal weak and poor. Now, I understand with this crowd, lots of you guys are gonna have issues with whether you can actually define the Qing state as weak in some kind of way. We can discuss this in the Q and A, and I want to go 17 rounds on this. But, at least in terms of fiscal capacity, the Qing state is an extreme outlier, both in early modern history and in medieval and late imperial China. To give you some both horizontal comparisons and vertical comparisons, the Meiji states trying to industrialize at pretty much about the same time as the late Qing state, has a smaller economy, like only a third or a fourth, depending on how you count the Qing economy. It had far greater economic resources to actually work with. Something to the tune of, in terms of absolute capital accumulation inside the state, on a year-to-year basis, it had three or four times what was available to the Qing state. Current best estimates, and these are guesstimates, obviously, because as we all know, GDP figures aren't terribly reliable when calculating in these kinds of early modern societies. But that hasn't stopped people from doing this. And we've gotten better at it over the years. Based on our best guesstimate of early modern GDP, if you look at their annual fiscal income, and the data on fiscal income is better with data on GDP, because there are government records on this. Japan was over 15%, England was over 15%. Most other early modern states like France, Germany, land-based midsize European states, comes to around 10%. The US in the 19th century was around 10%. Big Asiatic land-based empires like the Ottoman Empire or the Russian Empire were something around five to 7%. And then there was the Qing. The Qing, even if we count informal taxes, and we can talk more about this, came to around 2%. By the 19th century, by the very end of the dynasty, they fell under 1%, depending on how you count. Especially if you look at the bulk of the income, which for most of the Qing dynasty, came from agricultural taxes, taxes imposed on agriculture production, either in the form of land taxes or early on in the season head taxes as well. The contrast there was even more dramatic. Japan had more than a 20% tax rate on agriculture. China has just less than 1%. Even if you count informal taxes. And you might think, "That's because

China's weird compared to other powers." But what about vertical comparisons inside the Chinese contexts? Actually, yeah. It turns out that the Qing is actually an extreme outlier, even if you compare it to other dynasties. First of all, if you look at volume. Volume in terms of tax rates, you can kind of imagine. There are three kinds of regimes across the post Tang dynasty, mid to late Chinese imperial out. There's the Tang and the Ming. These somewhat imperial land-based, somewhat outward-looking dynasties, that didn't necessarily have a fixed border on the northwest and were in somewhat of an expansionary mode to some extent. They taxed anywhere between, depending on which point of vantage we look, at based on our best estimates, something in the range of five to 7% of our best guesstimates of GDP. This puts them largely in the same buckets as other land-based Asiatic empires. The Ottoman Empire and the Russian Empire were similar in how much they tax. Then, there was Song, and the Song is perhaps the most high tax regime in China's history. It was also the one that fought the most wars, and had the most pronounced boundaries. The Song taxes very aggressively, more than 10%, and the Yuan falls on the Song, because it was perhaps following, taking over fiscal momentum left over by the Song, and was also ruled by Mongols, who didn't really care too much about how hard they taxed the Chinese peasantry. And then, there's the Qing. The Qing is dramatically lower any of those thresholds. The more surprising thing about the Qing is that this is also the only dynasty that basically never raises its agricultural taxes. Every other dynasty excluding the Yuan, which didn't rule long enough for this to be a problem, starting in mid-dynasty, once you have recovery from the yearly takeover, once you have robust population growth, they face pressures to expand their bureaucracy, because the bureaucracy can't keep up with the extended population. So the Tang, the Ming, the Song all experienced some pretty robust fiscal expansion around the dynasty. Now, the Song that you can think of as an outlier, because it was fighting more wars. But both the Tang and the Ming again reformed somewhere in the second century of their rule, and really ramp up taxation around the midpoint of the dynasty, because they're dealing with much larger populations. Usually, they do this through increasing agricultural taxes. The Song is the only dynasty to rely more on indirect non-agricultural commercial taxes, like excise taxes for example. But even the Song increased agricultural taxes around the dynasty, just to help pay for the administrative bureaucracy that you actually had to have. So, to collect taxes on commerce. But the Qing breaks this pattern, and it's pretty much the only major dynasty that rules China that actually does this. And so, there's a question of why is the Qing different also in this regard. I can do that. But again, the most bizarre thing. Bizarre is kind of a strong word. The most interesting thing about the Qing fiscal system is that again, the absolute volume, not the tax writ, the absolute volume of formal agricultural taxes gets locked in from 1680 onwards, pretty much all the way until the final years of the dynasty at something around 30 million tons of silver. This is despite the fact that the agrarian economy was growing quite rapidly across

pretty much the entire dynasty. I think we now know that there was no such thing as a true Malthusian crisis in the Qing economy. Per capita productivity more or less kept pace with the population, and despite all that, the absolute sum of former agricultural taxes never changes. Again, it's the only dynasty that does this. All other dynasties make at least some significant effort at extracting more from agriculture, at some point around mid-dynasty. The Qing does not. And you might think, "This might be because there's a general fiscal aversion to raising taxes across the entire Qing state." But that's actually not true. The other segment of the Qing taxes, which is non-agricultural taxes, taxes on salt production, commerce, later on tariffs, on trade and so on and so forth. That actually does grow. In fact, it grows quite rapidly towards the later part of the dynasty. If you think of fiscal rationality as defined as when you're facing greater spending pressures, you increase your tax base, then the non-agricultural tax segment of the overall Qing apparatus was pretty darn rational by its definition. Starting from a very low baseline, because commerce was destroyed by the Ming-Qing transition, it pretty much grows, initially more or less at the same pace as the economy recovers. Where you see some measure of economic growth, you see a comparable measure of increased non-agricultural taxes. Then, when fiscal pressures really began to ramp up in the 19th century, both because of war and because the administration can't keep up with its basic administrative needs on the ground, the Qing state ramps up non-agricultural taxes very aggressively, especially after 1850 when it was fighting the Taiping, because it needs more income. The difference in treatment between these two things is not just a matter of a historical coincidence; this is an expressly stated policy of the Qing state, that states multiple times before and after 1850, "That we think we can raise non-agricultural taxes, our politics permit this. But we cannot touch the agricultural tax. Never." The book basically is trying to explain both why the Qing was a fiscal outlier, compared to these either vertical comparisons or horizontal comparisons with other countries. But just as importantly, why agricultural taxes were treated so differently with non-agricultural taxes within the Qing system. Now, perhaps the immediate temptation is to say, "Well, given the increase in non-agricultural taxes, maybe they don't need to increase agricultural taxes at all, to make ends meet." As I will argue to you guys later on, that is manifestly not true. In fact, the refusal to increase agricultural taxes actually then imposes further artificial limits on how much they can tax non-agricultural activities, because it deprives the Qing state of adequate income to build an adequate bureaucratic apparatus to tax commerce. So, the lack of increase in agricultural taxes was systemic across the public. And again, the baseline point is that, when your economy, as it is across the entire Qing, is more than 75% agricultural, what you do with the other 25% can't really solve a problem, if you're just absolutely not willing to raise taxes on that 75 to 80%. So, there's a really serious fiscal shortage by mid-dynasty onwards. But they just decided, "We're gonna live with this." This is, again, as I said, non-agricultural taxes behaved kind of rationally.

Again, if you define rationality in a basic functional sense as increasing supply to meet outside the land shocks. Again, the way that the Qing non-agricultural tax behaved was not so different than, say, what you find in 19th century Russia or Japan, when you want to increase non-agricultural taxes. But the main difference between China and virtually everything else, that you can find all of the possible comparative references, other early modern states, other Chinese dynasties, everything was that the agricultural tax was managed in a completely different fashion. To just give you guys a very short history of what I mean by the stagnation of Qing agricultural taxes: there's some turbulence right after the Manchu conquest. They try to lower tax initiatives in an effort to pacify the population. Then, after a few decades in there, they realize, "That actually is too low. We can't actually run the government, even with a basic minimal level of competence, we can't even do that." So, they increase the taxes just a little bit. They sneak back a few of these late Ming tax increases that they had vowed to eliminate. But eventually, they coalesce around the Ming tax rate that existed around 1620. From this point onwards, around 1690 or 1680, the formal agricultural tax rate set by the state basically is locked in. The only increase to agricultural taxation, as you guys probably know, took place around 1745. This was the Yongzheng-era Kohao reforms that imposed a surcharge on the land tax, of around 15%. That was the only increase. The backlash against that increase was large enough that they never tried that ever again, until the final decade of the dynasty. Now, the common comeback at me when I say this is everyone is gonna say, "You're only talking about the formal tax. What about informal taxes?" What about informal private surcharges charged by local magistrate courts? And the thing is, we have some records about that too. Surprise, surprise, if you look closely enough at these local records, we can actually count, at various times and places across the dynasty, what were the rough parameters of these informal taxes. And it turns out that the informal taxes also remain surprisingly stable across the entire dynasty. They were more or less coalescing around basically 100%, formal tax rates. So, overall tax collection by any government agents was more or less around twice the formal quota pretty much any point in the dynasty. This is true of 1908 surveys. This is true 1802 surveys. This is true of 1730 surveys. And it's true across different areas in the dynasty. Why there was that stability in informal tax, I can give you a more detailed explanation later on if you guys are interested. But for now, I'm just asking you to take my word. It's not only my word; this is the pretty much consensus view of people who have put research on this in mainland China. People like Suyi and Shi Jihong and Jiu Jian and so on and so forth. They've counted informal taxes, and it turns out these don't increase so much either. In the meantime, the economy and population more or less all triple, as you guys all know. Then, after 1850, the state is plunged into pretty much nonstop fiscal crisis. First is the Taiping. The Taiping comes along, it blows up the fiscal health of the state, and then later on it's locked in, and it's like an arms race with Japan for a while, which

tries to build the Beiyang Fleet and the Nanyang Fleet that fights wars with Japan, and loses that war. That incurs the Treaty of Shimonoseki. There is the Boxer Rebellion, the indemnities that followed. The fiscal health of the dynasty keeps getting worse and worse. The demand-side pressure is on the Qing state to raise taxes in this post-1850 era are dramatic. And so, they choose to respond by increasing non-agricultural commercial taxes through things like leasing in some pretty dramatic ways, like non-agricultural taxes grow by something like 500% in the late Qing. But, despite all this, agricultural taxes don't change at all. In fact, they actually shrink. Across this entire period. There are three kinds of explanations for this. I'm not gonna go into these, 'cause we don't have as much time as I sometimes have for this kind of talk. There are three kinds of explanations. I mainly talk about these to pacify the economists. Every time I give this talk to economists, this is what they wanna talk about, 'cause the vast majority of the literature on this topic, why was there so little taxation in the Qing, comes from the econ history side or the political science side of it. And this side of things, for the most part, is what you might call rationalist in mythological orientation. The models they build are based on assumptions of self interest rationality, and based on premises of core political choice, based on rational minds. To make anyone in a school take an ideological study seriously, you have to first explain to them why all these attempts at building rational political economy models to explain this entire thing are not quite wrong, but at least incomplete. And so, I spend quite a lot of time in the book doing all this. I take it that there aren't so many economists in the room today, so if you guys permit, I'm gonna skip this part of the talk, and go on. Yuhua knows more or less what I do with these kinds of things. I know I said I don't have to talk to him then For this talk, for the most part, but for the rest of you guys, unless there's an economist that I'm missing in the group, I'm gonna jump forward with this. But to summarize in a minute, there are three kinds of explanations on the rational side for why the Qing state didn't raise agricultural taxes. Either it didn't need to, so lack of demand, or it didn't have the capacity to do so. Lack of institutional supply. Or alternatively, it become lack of will to do so. I say ideological will here, but the political economists would say the will is really a collective action problem. The state might have wanted to raise taxes as a collective, but the individual interests of the elites on the ground were aligned against tax hikes. And that was what prevented the tax hikes. I spent pretty much a full chapter, something like 25,000 words, explaining why none of these work in this context. Basically, my argument is actually, first of all, there was plenty of demand. There was so much demand that the Qing state has to engage in all kinds of weird stuff as early as 1780. Second, it did have the capacity to raise taxes. How do you know this? Well, first of all, you look at it. There are signs inside the dynasty, that even the guys on the ground, the local bureaucrats on the ground during the Qing thought they had the capacity to actually raise taxes. What they never



had was the okay from the top to actually do that. But just as telling, the interesting thing is the Qing actually does finally manage to muster the political will to raise agricultural taxes after 1903. This is after Shimonoseki, and after the Boxer Rebellions. And so at this point, their finances have completely collapsed, and they're forced to experiment with considerable nervousness with an agricultural tax. Everyone's expecting disaster, but it turns out that they actually manage to implement the tax hike. In fact, the tax hikes goes so well that the republican governments that follow the Qing all choose to further escalate the tax hikes. The lesson learned by the elites after 1903 was actually, "It turns out that we were wrong. We actually can exercise tax hikes without the peasantry rising up and killing us." And so, every government after 1903 increasingly raises agricultural taxes. By 1930 for example, agricultural taxes on the ground were pretty much three to five times what they were in 1900. And by 1955, after the Chinese government engages in further tax increases, agricultural taxes in early Communist China were pretty much 10 times what they were in the late Qing, as a share of overall production. So, all the states after 1903 learned the lesson that you actually can raise taxes. The thing is, you can say whatever you want about the relative administrative capacity of the mid-Qing state versus the Communist state, or the nationalist government post-1935, but I think most of us would have little doubt that the overall administrative capacities in the Qing state were significantly stronger than 1780, as compared to 1903. So, if the 1903 government could pull off a tax increase and not have something go disastrously wrong, I think most of us would probably nod our heads and say it's probably likely that the mid-Qing government actually could have exercised and implemented the tax hike, without something going terribly wrong. And then, there's the final question of, what about the interests of the elites? This is where the commercial tax hikes actually come into play. 'Cause if you think what was really holding the Qing government back was the self-interests of the elites, who themselves did not want to pay taxes, and so on and so forth. Well then, there's an interesting question: why are they willing to go along with commercial tax hikes, but not with agricultural tax hikes? Most Qing elites, by especially the 19th century, arguably have more economic interest invested in commerce than they have in that. And you can actually see this. They're not happy with the commercial tax hikes, but they acquiesce. So the question is, why does that equation not also play out in the agricultural context? Clearly, it's not just the opposition of elites. In fact, in a lot of ways, you usually trace voiced opposition to tax hikes by late Qing elites. They were stronger on commercial tax hikes than they were on agricultural tax hikes. But the state never budged agricultural tax hikes, whereas it budged constant commercial tax hikes. So, there's something else going on here. Finally, leaving the economists aside by this point, at this point we've exhausted all the theories thrown out by the economists, or rationalist political scientists. Then, there's an older strand of Sinology literature, Bill Rowe, Matthew Zelin and Susan Mann, and so

on and so forth who have made the observation at various points that Confucian ideology was not favoring these tax hikes. Now, this is the starting point of my analysis, and I kind of agree. Now, yes, obviously there was some reluctance in traditional Confucian political thought, some anxiety morally over tax hikes, as being non-benevolent. But if that were the case, China has a Confucian orthodoxy for much longer than the Qing. The Ming is at least as Confucian as the Qing is. Song perhaps even more so. Why did those dynasties behave differently? If it really was an ideological story, why did the ideology only have this crippling restraint on actual fiscal behavior in the Qing and not in the Ming and not in the Song? Again, all those dynasties raise agricultural taxes at some point after the dust. So, just saying it's Confucianism doesn't get you very far. The question really is what version of Confucianism are you actually doing? Or, what actually happened to specifically Qing fiscal ideology, that made it so weaponized to such an extent that can actually distinguish it from previous dynasties? Some comments on primary sources. Given that this is a political, ideological history, obviously the main thing that I wanna talk about are Palace Memorials. I collected some 2000 of these. There's a smaller section from the Ming. We don't have the archives, but we have private sources sometimes. So, the main source are these various palace memorials, in which it leads to big fiscal policy. Imperial decrees obviously as well, private writings from the main players. Similar level administrative documents. But ultimately, this is not so much an economic history. This is a history of ideas. And so again, you can probably guess this is put in there to just get the economists off my back. It's not that I'm opposed to modification, it's that in this context of all this actual history, it's very hard to pull off adequate quantification. And so, just my message to all the economists, at least on that part, just leave it there. The story that I want to tell is that something fundamentally changed with fiscal ideology during the Ming-Qing transition. How much time do I have?

- [Arunabh] Take it to 4:45.

- 4:45?

- [Arunabh] Oh sorry. Take another 15 minutes.

- All right. Let me try to wrap up this entire historical, ideological narrative. We can flesh this out during the Q and A. Let me give you the bare bones version of what I think happened. So prior to the Qing, the main thing, if you look at the debates in which there were people arguing for or against tax hikes, and this happened a lot in mid-Ming and late, on the fiscal conservative side, which was arguing against tax hikes, the main moves they have available to them are actually what Bill and Maddie and Susan were talking about. These were people who are raising the structure of Confucian moral anxiety over tax hikes. They're basically saying that there's something morally

problematic with taxes. "We should be careful about doing this stuff. It's not so benevolent. We're competing for profit with the people." But up until the very late Ming, this entire narrative that they were telling was largely moral in character. They didn't have a clear sense of what exactly could go wrong if you actually increase taxes. So, the arguments that they're putting forward are basically moral condemnations. "You, Dan Sujong, or you Gao Wu, are behaving non-benevolently, when you try to raise taxes, and it might eventually come back to bite us, but we don't know exactly how, because we don't have a clear historical example of what can happen when you raise taxes beyond a certain point." So, as you can see, all political narratives and political world views have two sides. There's a normative side that tells you what are the moral commitments, what are the goals that you should aspire to? And then, there's an empirical side. To illustrate this with modern terms, consider, say, Marxism. Marxism tells you that revolutionary global proletariat is the goal. Casting aside of shackles by the proletariat is good. But then the question is how do you get there? That relies on an empirical message about the way the world works. One is telling you what is more wrong with the current regime. One is how do you actually destroy it, in empirical terms. This is the Marxist view of history, the natural progression of history, how the proletariat gets mobilized, what are the natural historical mechanisms of class organization, and so on and so forth. That's the empirical image. And the same thing is true with modern liberals. Liberalism has two dimensions. On the one hand, liberty is good, democracy is good, constitutional government's good. But then, there's a side that tells you what happens to your state, what happens to your economy when you fail to liberalize. But the predictions are, if you don't liberalize, if you don't allow the market to do its thing, you're gonna suffer economic collapse, you're gonna suffer stagnation and so on and so forth. There's an empirical side, and there's normative side as well. What I want to claim is in the overall discourse of Chinese fiscal conservatives, the ideas that elites have on why you couldn't raise taxes prior to the late Ming, to the Ming-Qing transition, the normative side was really the only side of play. There are lots of people arguing about how raising taxes in the late Ming was normatively dubious, until the Ming was on the verge of collapse, after it raised quite a lot of taxes over its final 100 years. They at least lacked a clear, empirical narrative of what could actually go wrong if you raise taxes. And so, in this narrative, what the Ming-Qing transition actually supplies is that empirical side of the story. 'Cause the stories that the Qing elites, the early Qing were telling about Ming decline, and Ming collapse, were all about basically how raising taxes killed off the Ming. Up until that point, you could say raising taxes is normatively wrong. But as you can imagine, saying something is normatively wrong never really stops politicians from doing it. When you can say, however, that doing something is both morally wrong, and we know exactly what's gonna happen when you do it: it's gonna kill you, like it killed the Ming, that is all of a sudden a much more politically powerful message. It

weaponizes the politics of this ideology in a much more dramatic fashion. And so, the claim in the book, basically, is that the Ming-Qing transition, the way the Ming collapse gave birth to an empirical narrative that reinforced the normative tradition, that all of a sudden turned this deontological mental anxiety over raising taxes into something of an actually politically weaponized ideology that could actually constrain. And you realize that if you contrast the earliest human morals on why you can't raise taxes with later Ming morals and why you can't raise taxes, the tone, the immediacy, the substance of the arguments, it's really dramatic. Late Ming, it's basically, again, "We think it's morally wrong. We think something might go wrong. We're not entirely sure what might go wrong, but we think it's morally wrong." In the early Qing, everyone's basically arguing, "To hell with the morality stuff. Now, we know that raising taxes beyond a certain red line threshold after the Yongle era killed off the Ming. If you do it, you're gonna suffer the same fate." That immediately just mobilizes massive amounts of elite opposition to any kind of tax increases beyond what they perceived to be the late Ming standard. This is just an illustration of that. Of course, then there's the question, I guess, to make this an ideological story, that empirical narrative that they're telling about the Ming has to be at least not obviously correct. Otherwise, they're just learning accurate historical lessons. And so, there's a question: why do the Ming actually collapse? And here, modern historians are split. There's a school associated most obviously with Lin Huang, but also with plenty of other people in more recent years, that actually argues that, frankly, the Ming collapse had nothing to do with high taxes, and might actually been because taxes were too low. On the other hand, there are still some people, who do believe especially in mainland China, who really do believe that Ming collapse had a lot to do with taxes. But the core thing here is that current splintering of academia when looking at the late Ming is probably what you would expect under neutral circumstances. 'Cause the reasons for late Ming collapse are very complex. You can interpret a lot of the facts either way. And there's no reasons to suspect, looking just at those facts and sources from a neutral perspective, that there would be any rush to coalesce around any one particular position within a few years. But that's exactly what happened in the early Qing. So, if you trace the way that people were talking about Ming collapse, it's pretty much within 10 years, every single major scholar, or every single official who wrote about this, "Why did the Ming collapse?" coalesced around the position that there were three major reasons for Ming collapse. Eunuchs; a sense of moral decay; but perhaps most importantly, to high taxes. These are the three reasons that are then coming formally enshrined in the official Ming history that was produced in the mid 18th century. The question then is, "Why was there this coalescing around this new empirical message?" But it's not something that's obviously true, and in fact it's quite easily contestable. A lot of us, including me, think that it's probably false. Why did Qing elites coalesce around this particular empirical message? And so, the story that I want to

tell is a story of cognitive bias. This might not so much be the taste of this political audience, but in, say, things like cognitive theory, there's a long tradition of people arguing that the way that political ideologies work is not so much through mutual interpretations of facts, but rather through reinforcements of preexisting biases. For example, if you show Republicans and Democrats the same set of facts about climate change, those two sides will both interpret those set of facts as supporting their own position. It's the same set of facts. There is perhaps one single, neutrally correct way of interpreting those facts, but both sides will interpret them and pull their opposite position. This is because human beings like self-reinforcements. We're biased to think in a path, in a way, until something truly traumatic forces us to change. What happens is, I think in the late Ming and the early Qing, is a process of large scale, collective cognitive bias at work. All Confucian elites are primed to think that there's something morally dubious about taxation. even Zhang Sujong and these reformers acknowledge there's a bit of moral anxiety even in them about what happens when you raise taxes. Prior to the late Ming, they weren't quite sure what exactly was gonna happen, but there was anxiety. So, when something happens in the late Ming, that can actually be chronologically, possibly attributed to the late Ming tax hikes, that reinforces this anxiety that pretty much exists across the spectrum and the Confucian ideology. The preexistence of that deontological anxiety produces the willingness to coalesce around this empirical narrative, in which tax hikes killed off the Ming. I don't know if you guys trace this. If you guys learn the history of human crises, every time there's a major crisis in the years after, there's always a rush by people to produce learnable lessons from the crisis. The more recent examples, for example, are, say, the rush to learn economic lessons from the Great Depression. After 2008, after the financial crisis. If you trace what's going on amongst economists, there was a massive rush to learn usable lessons from that as well. That rush to learn lessons from a major catastrophe tends to produce group think. It tends to produce psychological pressure to rush to a position that's obviously usable in politics. It produces a lot of pressure on people to coalesce around one consensus. Usually, intellectuals and officials and highly educated people, and trying to produce agreement amongst intellectuals, as you guys all know, that's like herding cats. That herding cats dynamic becomes much weakened in moments of crisis. Moments of crisis produce focal points for agreement and consensus. Now, the thing is, that's not an objective neutral intellectual process; that's a political process. And so, the pressure to engage in some group-based agreement is very, very strong in those cases, and that further aggravates the influence of cognitive biases on how actually more usable lessons get produced during those moments. Now the final thing I'm gonna say is, this is my account of how the idea that you can't raise taxes beyond the late Ming red line gets introduced into the overall Qing political psyche. Then the question is, Fine, this explains why early Qing elites going perhaps 1720, maybe 1740, within the first century, this

interpretation of late Ming collapse and the lessons that they learned from Ming collapse. This is pretty much what makes them so reluctant to raise taxes. But the history of Qing fiscal conservatism of this extreme form that refuses to raise agricultural taxes is longer than that. After 1740, there's another 170 years before they actually manage to finally talk themselves into trying to raise taxes. And then, there's a different kind of explanation. You can't explain this just by saying the late Ming shock was so powerful that it lasted the entire dynasty. Even that kind of shock eventually dulls out over the course of time. So then, the question is how do you explain longevity of this idea that you can't raise taxes beyond the late Ming red line, or else the peasants are gonna rise and kill you. Very quickly, the main thing here going on is that this idea reproduced into institutions in some very interesting ways. The Qing is the only dynasty in Chinese history to never do a major land survey. Every other dynasty does that survey, and they do land surveys specifically as premises to raise taxes. 'Cause as you can easily imagine, you don't know how many taxes to actually raise and how to allocate the new taxes until you've surveyed your land. Until you've surveyed your rural economy. The Ming, when they pursue the single whip reforms surveys land, the Song surveys land almost constantly. The Tang surveys land both before and after the two taxes reforms, and so on. Surveying land is generally seen, and I think properly so, as the major institutional premise for raising taxes. The Qing swears off land surveys after 1680. I'm sorry, after 1680. After 1740, they put it into the Qing code that any attempt to survey lands at the provincial level or below will be punished by criminal penalties. So, it's the only dynasty to actually behave like this. It never chooses to even survey land. Now, why does it choose never to survey lands? Their rationality was that, "Why do we ever survey land? We only survey land because we wanna raise taxes. So, if we think that raising taxes beyond what we're currently taxing will kill us, the peasantry will rise up against us, we can't even send the signal that we're thinking about raising taxes." But sending the signal through land surveys will pretty much have the same effect as actually doing the tax hike. So, if you can't do a tax hike, you might as well not survey the land at all. You can't disturb the people. Though the word they use is Zhong. But you think about this. If you don't survey land, if you don't know the exact size of your economic expansion over these final years, then that leads to a very warped view of what the economy's actually going through. As you guys must know, from 1740 onwards, the Qing state's self dialog is that we're constantly mired in Malthusian crisis, severe Malthusian crisis. Why does it believe this? Because its understanding of how much land we have, how much production are we getting from this land, is pretty much locked in at 1680 levels. Now you could think, "Well, they knew they had sworn off land surveys, so why would they assume, just because they didn't do a land survey, that there's actually no economic growth on the ground in terms of the rural economy?" This is the thing about information and stats. There's no automatic sense of reality that feeds into politics.

The usable view of reality that goes on in politics stems from authoritative information. In the Qing, the only source of authoritative information on how much production capacity there was in the rural economy comes from these official land data. Now, to make things worse, because they stopped taxing the population, they stopped the head tax, they do think that we can actually afford the survey of the population. So, they know the population's growing very fast, but they think that the food production capacity of the agrarian economy does not grow at all to keep pace with population growth. So, in their minds, they know the population's basically tripling. But at the same time, they think that their overall capacity to produce food off of land is the same. So, in their minds, this is gigantic Malthusian crisis of untold proportions. So, as memorial after memorial says, after the mid-Qing, . "Our population's growing every single day, but our lands, our land productivity has stayed the same." So, if you think we couldn't raise taxes in the early dynasty because of the Ming example, well frankly, right now in the late 18th century, 19th century, it's even worse, because we're in a Malthusian crisis, and the overall taxable surplus is actually even lower. So you might ask then, "Why doesn't somebody rise and say actually, "That's not my experience locally at all?" "I know from going down into the localities, that there's more production capacity than the books reflect." But think of how that argument actually works. You're gonna overturn national level policy based on an idiosyncratic experience in a locality? That's never gonna happen. It's the same rationale why, right now, despite everyone knowing that Chinese GDP figures are cooked. They're pretty much randomized I think by any rational estimates. All the media in China, all the media overseas still cites Chinese GDP figures as authoritative. Why? Because we don't have anything else. And especially in politics, if you're gonna put your skin out there to argue for a tax increase, when everyone else in the government thinks that, say arguing for a tax increase is political anathema, you better have something more than just, "I went to this local county and I saw this." You need something authoritative. But because that source of authoritative information is formally sealed off from even being possibly produced, that kind of argument that, "Actually, we have more land, that we have more production than we actually realize," never gets off the ground as a matter of politics. Politics runs on authoritative information. And so, for the entire half of late Qing, the authoritative information tells them that they're in a Malthusian crisis. I think in reality, most of us who study economic history would say actually they're not. So, how did all of this finally end? It's pretty much a story that I told you guys before. Finally, after 1900 they realize, "We're so broke that we have to try again." So after 1900, they restart fiscal surveying. They do a few more land surveys. They tentatively realize there might be more land on the ground to actually tax. There's a nationwide survey in '07. Followed by a tentative agricultural taxes for the first time in two centuries. Everyone expects disaster. None happens. I should hasten to add, the dynasty collapsed a couple years afterwards. But I

think we all agree that that had little to do with the actual tax hikes. We can argue this one later on, but I just wanna say that. This is a bonus. All the regimes that came after to raise taxes even more, even though many of these regimes didn't even have the level of local control that the Qing had. Turns out that because the taxes are so low at this point, the rural population is actually okay for the most part with these land tax hikes. There's some grumbling. There are occasional cases of tax riots here and there, but they're easily put down, and it never really becomes a problem for any of these regimes, leading arguably to over-correction, and perhaps overly high land taxes in the early PRC. Now, the advantages of this account over previous accounts are the following: it actually can explain why, after 1840, when the demand side pressures to raise agricultural taxes go through the roof, and when you're really aggressively raising non-agricultural taxes every single day, why you still insist on not raising agricultural taxes. So, it solves the land tax problem. Also, because there's an account of what changes from Ming to Qing, you can explain why the Qing behaves differently from the Ming on this front, and also from the so Song, so on and so forth. Finally, this can also explain why agricultural taxes were treated differently than commercial taxes. Because the initial start of Ming collapse is one of tax hikes leading to peasant rebellion. Therefore the entire focal points of elite anxiety over taxes in the Qing is on agricultural taxes. They explicitly say this. "We think that we can tax merchants, and we know that merchants won't rebel, but we also know that we can't tax peasants, because we know that peasants are gonna rebel." Because of the nature of the initial shock to the system, because the nature of that shock came in the form of these late Ming peasant rebellions, the agricultural taxes were given a sacred power in the overall Qing apparatus, and were consistently treated differently than any other kind of tax. This, we can talk about more, 'cause I know some of you guys are gonna ask me, "Isn't this because the Qing was a Manchu state, and this is all because of the uniqueness of the Manchu state?" My argument is no, but we can argue about this later on. Conclusions. Theoretical political ideologies, and so on and so forth. I'm gonna ditch all this. So we can move on.

- [Arunabhabh] Thank you. That was quite the tour de force. So, I have a bunch of questions, but I know there's a lot of people in the room who probably also have questions. I'm gonna throw it open. If you could quickly identify yourself, and then ask a question, that'd be great. If there is no one jumping in, then maybe I will.

- I take it that you all agree with me?

- [Arunabhabh] They're all stunned. They're all stunned into silence. But maybe for a start, you could just talk a little bit about what you ended on, which is the nature of the Qing State itself and the Qing Empire, and the fact that it has-



- I assume, especially this being Harvard, the gut instinct of a lot of you guys is gonna be that the Qing behaves differently fiscally, compared to previous dynasties, because the Qing was a Manchu conquest dynasty. Now, my response is that obviously had something to do with the initial desire to shrink taxes in the early Qing. Certainly, during the first couple of decades of the Qing, you introduce fiscal conservatism partially as a consolidation tool, as a gesture to the Han population. The problem with this account is twofold. One is, from around 1680 onwards, if you read the memorials, no one talks about that as being the main rationale to keep taxes low for the remainder of the dynasty. Now, you could say that perhaps, this is because talking about Manchu/Han tensions is political anathema, but that's not quite true. They continue to talk about Manchu/Han conflict in tons of other contexts, like banner land conflicts, militia organization on the frontiers, military service, even allocation of things like examination quotas and bureaucratic positions. People talk about Manchu Han tensions quite frequently in those contexts, and I don't see any reason why they can't talk about that stuff as a matter of politics in the fiscal context. But it is definitively true that around 1680, or after Kangxi consolidates, they stop talking about it. I see no reason for them to be dishonest on this front. I think they're actually saying what they're thinking, which is that their conscious reasons for keeping the tax rates low stem from something else. Now, they do continue to talk about the late Ming shock, about learning lessons from the Ming. Starting from 1720 onwards, the main reason becomes, "We're in a Malthusian crisis." Those are the more visible discourses in Qing and high Qing politics. On the source base itself, it's kind of hard to sustain the Manchu conflict story post-1680. The source base doesn't really support it. The second thing is the depth of Qing fiscal conservatism gets deeper and deeper over the course of the dynasty. In 1680, one of Kangxi's advisors could still pitch a possible agricultural tax hike as a possible solution for population growth, and so on and so forth, without getting into tons of trouble. He was pushed back against by a lot of his colleagues, and they were arguing, "This is wrong." He loses that fight, he loses stature at court, he tries a couple years later, but he's not punished. By the 1760s, if you trace the record, everyone who even begins to propose an agricultural tax hike is punished. They're immediately censured. The censors rail against them, usually they're demoted, and some of them are fired. So, by the 19th century, it becomes pretty much routine. Everyone else, if you propose an agricultural tax hike, you are going to lose your position. So, in a lot of ways, the institutional commitment to not raising agricultural taxes deepens over time. Now, the problem with the Manchu conquest story is that, whatever the shock of the Manchu conquest in 1640, I'm sorry, 1645, even Peter would have to agree with me that the shock of the Manchu conquest lessens over time. The Manchus get more comfortable. I don't know if they're gonna say that, but I think, that you know [Arunabhabh] -yeah. [Taisu]- Manchus get more comfortable with their Han subjects. The Han get more comfortable with the idea of

Manchu rule. Han/Manchu tensions are still a thing later in the dynasty, but they're less of a thing than they were in the 1650s. So, the trouble with explaining Qing fiscal conservatism mainly from the point of view of Han Manchu tensions is how do you explain something that keeps getting stronger or something that weakens over time? It's not the most logically obvious thing to do, especially when the source base doesn't really seem to support it. Hence, I wouldn't deny that Han Manchu tensions play a pretty important role in the early dynasty, but I would say that over time, the main thing that was sustaining this ideology was something else.

- [Speaker] Great. You're welcome. And so thank you so much for a great presentation. I like the book. I just want go back to the original question you posed in the beginning, which is the great divergence. I think that's it. That's the broader question you tried to answer. Would you say that the low taxation was one of the reasons for-

- Yes.

- [Speaker] Slow down the Chinese economy? My question is, is it possible it's actually the reverse? That is, it's because the Chinese economy was so backward? You mentioned 25% of the economy was commerce, and then why didn't they make it 50%? For example, at the beginning of the Qing dynasty, the economy was not 50% commerce. And then if that's the case, then they'll be able to raise more taxes, because more of the economy were from taxation than from commercial taxes. So, I think that is it possible that it's not because low taxation that leads to great divergence, but because the economy was so agrarian, and they were not able to raise taxes?

- So I'd say that that's a possibility. But then, it becomes harder to explain, say, the China Russia difference. When Russia began to modernize its fiscal structure in the 1890s, when it began to transfer the fiscal rates to commercial taxes, it was also a predominantly agrarian economy. It was something like only 27, 28% non-agricultural by most estimates. So, why was the Chinese side unique in this aspect? And the second is, well, the thing is, it's one thing to say that you're fiscally weak because taxing commerce is easier than taxing agriculture. So, a predominantly agrarian society is never going to be as fiscally robust as a predominantly commercial one. That's certainly true. I would agree with you on that. But then that's not a reason why we never even try to raise taxes on agricultural at all. Or most agriculturally heavy economies experience agricultural tax hikes precisely because they're predominantly agricultural, and that's really the only way for the state to strengthen finances. So, the great divergence then comes in later. I'd ask you guys to stay tuned if you're interested in that. The third book's gonna be written in the next probably three years. But simply on this book, on the question of why agricultural taxes are locked in, presumably the fact that the

mainly agricultural work in the opposite direction. You're forced to tax hike if you really want to make ends meet, because your commercial sector is just not large enough to really sustain this.

- [Speaker] Peter?

- [Peter] Yeah, maybe there's some interesting other byproducts of the Qing elites' failure to have a land survey, and their misguided belief in an overall Malthusian crisis. The people who write about this, a lot of them, their answer to resolving this supposed Malthusian crisis is Kaikan, land clearance.

- Yes.

- [Peter] So, they are very good at encouraging farmers to go out into hillsides, and mountainous areas, even though they're very ambivalent about it. They know this can create a lot of ethnic tension and other sorts of social unrest, that many of these writers, this is the only solution. Because they don't recognize that they actually are getting a lot of other productivity out in more productive areas. In this way, in an indirect way, it is Qing expansion driven by this ideological belief in Kaikan that actually undermines the dynasty.

- So, yeah. Just to finish the thought, the reason why you can't raise taxes on agriculture is that we want to incentivize Kaikan. Or you don't wanna tax the newly reclaimed land, because you want to give people incentives to reclaim that. So, this is a major part of the discourse, especially when it's around Qialong. Certainly, that argument is made. You shouldn't raise agricultural taxes, because you guys want to incentivize this. But at the same time, the other side of this discourse is there's a certain fatalism going on amongst the elites. During the Kangxi years, there were still plenty of elites that basically said Kaikan is a possibly permanent solution to our growth problems, to our fiscal problems. By Yongzheng, by 1730, especially early Qianlong, the nearly universal consensus of all the memorials the talk about this is that Kaikan is good to have, but there's so little land left in the country that it's not gonna be much of a material change to our circumstances. That might make some differences here and there on the margins, but it's not going to be a significant new source of either production or revenue. That further feeds into the perception. But when they say, they mean that literally. They literally think that there's not enough land out there for me to reclaim and then make some substantial difference in how much taxable surplus you have in the overall economy. So, that makes a difference. But in the end, they talk themselves into thinking that counts.

- [Ed] Hi, my name's Ed, and I teach Modern Middle Eastern History, and I don't know anything about the Chinese empire. So, with my complete ignorance, but I am very fond of land surveys-

- As am I.

- [Ed] In Middle Eastern state. And so, I have a lot of questions, but I will pose only one. Did I understand correctly that you say that they did agricultural taxation, just not based on new land surveys, but on old ones? So, as far as I understand, we're talking about 100 years of this? 300?

- 227.

- [Ed] 200 years. Whatever. No new land survey, meaning that they are using the old ones. So, that means that they have these old glasses, if we use Courts metaphor, saying they have very, very old glasses, 300 years of glasses to see what the bell-

- Sounds insane, doesn't it? But that's exactly what happens. So, if you trace official, high level political arguments in 1870, on, "How much land do we have? How much production do we have?" They're based on late Ming sources.

- [Ed] Okay.

- From modern perspectives, this is utterly insane. But for these guys, it made complete sense, because again, they think that doing land surveys is sending the same signals as an actual tax hike, and they couldn't risk it. So, not only do they not do land surveys, they make it a criminal offense for anyone to do a land survey.

- [Ed] But that's very peculiar because-

- It is.

- [Ed] Because, in the early 19th century, really land surveying is going-

- Yeah, peculiar I don't think even begins to describe it. For me, it's just insane. I can't find any other early modern state that behaves like this. I can't find any other Chinese dynasty that behaves like this. It's something that you would have to have a very deeply ingrained, powerful ideological world view to talk yourself into. Otherwise, I can't believe how this would possibly be something that's part of the normal way of thinking about the state. But I completely agree.

- [Ed] Yeah. Thank you.

- [Speaker] Thank you. Thank you for your inspiring speech. My question's about one point on your last PowerPoint, and you say the superior things in Qing dynasty, and it has nothing to do with the

ethnic dimension.

- Well, but not nothing, but not enough.

- [Speaker] Ah, I see, uh And you say the Qing officials was actually more pro-taxation than Yuan-

- Yes.

- [Speaker] Because I studied the fiscal and economic space in Mongolian period in China. I realized there's a different strategies between the Mongolian emperors and the Mongol nobles and officials. Based on their conceptions in their nomadic societies, the various nobles and the members of the ruling dynasty, they see this empire as a public property. So, their strategy is trying to get as much as they can for themselves, and they don't care much about the fate or the future of this whole empire. But the emperors are usually more cautious. They thought much more about the whole thing. So, I see, maybe it's not a very active, but especially in the early imperial period rule of the uh Kublai Khan there a coalition between the Mongol emperor and the Han. And those Han officials, they could talk against those non-Han officials. So, I think that this actually has something to do with the ethnic dimension, but it's really complicated.

- Sure, sure. That's a great-

- [Speaker] I'm just curious about the situation with Qing. How did the Manchu emperors stand in this problems? Did they talk against the Han officials or just the Manchu officials?

- The thing about the Qing is everyone claims to be fiscally responsible somewhat. But I don't think there's any Qing equivalent of what you describe as the Mongol aristocrats, who just don't care about what happens to this part of the empire. Everyone that I can find, whether it's Manchu bannermen, Han bannermen, Han officials or the emperors themselves, claim that, "We want to govern responsibly, and we want to make sure the Han population's happy." That said, there's a bit of a spectrum on how they understand their responsibilities. Because responsibility is not just a matter of taxing lightly; it's also a matter of providing basic administrative services, and so on and so forth. So, it's not one side, but this argument does not only cut in one direction. It's like, "Which direction are you willing to privilege in the overall balance of things?" And so, if you track the ethnic balance, what you find is that in the early dynasty, the Manchu High Elites, like Durgan for example, Kangxi to some extent, certainly Yongzheng, they were seeing things from a more balanced perspective. They recognize that, "On the one hand, we wanna keep taxes low. But at the same time, if we keep taxes this low, we're gonna at some point run out of cash to run the empire." Yongzheng especially feels tortured about this, and he tries to sneak in a tax hike, political

hall reforms, and then the backlash to that basically destroyed any further possibility of tax hikes going forward. But the Manchu nobleman or the bannermen are on both sides of this. The Han, are the people see both sides of this, and depending on their positions, they can either be on the side of strict no taxes, or possibly some taxes going forward. The Manchu aristocrats are also on both sides of this. Especially, going into Yongzheng's era, some of the most conservative people are actually Manchu provincial governors, whereas a lot of Yongzheng's immediate lackeys were running his tax hikes on the ground, and the Qian Yuanjing and so on and so forth were Han. The arguments don't fall very uniquely along ethnic lines, except for the fact that Manchu emperors, at least initially, were a little bit more open to considering possible tax increases than their Han servants. The Han officials, on the other hand, starting from 1645, the first mandate that was submitted to the basically says, "You have to cut taxes, learn a lesson from the Ming, never raise taxes beyond that late Ming precedent. That's the only way you keep the dynasty in one piece." And the Han literati, as a group, they almost never broke from that position. So, you could say there's a certain ethnic consideration here. This is one way for them to perhaps limit the power of the Manchus. But again, if that's the case, then over time, why does that argument not lose some of its force, instead of it keeps getting deeper and deeper? The ethnic politics are complicated, the ethnic breakdowns complicated, but ultimately, you expect if that were continuously one of the more important factors, they'd talk about it, but they don't.

- [Arunabh] So, just as a corroborate to that in some ways, going back to that initial discussion you had about the Manchu nature of the empire, is it important or necessary to trace to what extent there are intellectual debates going on that have lineages going back to Manchus, and back to the Jurchens, that they claim to owe their origins to. Setting aside the interpersonal kinds of relations that you've talked about, is that what you've done for the Han side of the story, or for the Sinocentric side of the story, something similar that could be done a bit directly?

- So, I try to trace. I don't read Manchu, failure or training, whatever. I employ people who do, to help me go through the Manchu archives. And also, I trace arguments by Manchu officials in Chinese. It seems like the picture that emerges is in the early dynasty, Manchus actually come in, including all their Manchu and Han bannermen. They come in with a relatively open mind. They don't have a fixed way of thinking about this kind of thing. They come in, like Durgan explicitly says, "We're willing to be persuaded. Tell us what you think." They solicit opinions from the Han literati. He asks Fa Wensheng to sort through these opinions, and come to a reasoned judgment. He trusts the bannermen more than he trusts the Han officials, honestly. And the posture that people like Fa Wensheng take towards those Han literati opinions is a reasoned judgment. They try

to argue both sides. They try to see both sides of the argument, but then they come down in the end and say, "We tend to agree with these Han officials, or they know their country better than we do. They see this red line. Based on our understanding of history, which also is informed by them, and we agree." So, I don't think there was a distinctive Manchu tradition of thinking about their tax on China that they brought in with them. They actually had a flexible mindset coming in, and then, when all of the opinions they solicited were so one-sided, to one extreme of the spectrum, they were persuaded.

- [Arunabh] Hang on, was was that three hands? We have about five minutes. Maybe we can take three questions together, because you had a hand too. So, Jason, Annie and the young woman right here.

- [Jason] Jason Chen, I'm a PHD student. A quick question. So, if peasant uprising is the reason pretty much shape fiscal conservatism, so how actually did Qing court and literati account for and elucidate peasant uprising, and also rebellion in North China rural areas.

- In North China-

- [Arunabh] Rural areas, in rural China.

- When?

- [Jason] I'm sorry. The Mien.

- Oh, the Zhuan. Sure, yeah.

- [Speaker] Annie.

- [Annie] Yeah, so I was curious about Qing views of the power of the Eunuchs in the late Ming. I'm just wondering whether is there some of connections between the state, because they could say that, we all know that these eunuchs can be attributed to the moral decay because of the commercialization of the economy, and so that also applies to high taxation, doesn't it?.

- Yes.

- [Speaker] My question is a little bit linked to that a little bit, but what is interesting that the case you offer about the low taxation on agriculture is that is actually taken as a model by the phasocrat in the 18th century, in some way as a model to convince the mercantile policy in France by the phasocrat as a good model, because their problem back then was, how do you argue against the mercantile system of the state? It's state imposed high taxation on agriculture. So, they're using China actually as a good example, saying, "Look at them, they actually have natural rights." But of course, the argument was different, because for them they want to liberalize agriculture, to

create free market as a way to increase production. So, my question for you is that, in the Chinese case, are all the argument against taxation is made in service of the state to maintain its control, or there are also arguments made in terms of increasing production? I wanna see, because there can be different interpretations.

- Yes.

- [Arunabh] I've seen two more hands, but maybe if you're game, we'll do one more round after this.

- Once you have this mindset that peasant rebellions are caused by tax hikes, and peasant rebellions are caused by fiscal stress on the ground, then cognitive biases created by that would then further urge you to interpret every single peasant rebellion that comes your way during the course of the Qing dynasty as a sign the taxes are too high. So, every single major rebellion: the white lotus, the Mianjun, the Taiping, spur calls in the literati for further tax cuts. There's a certain way in which these kinds of things self-reproduce. When you have such a strong cognitive bias towards one side of things, any new audience that can even be semi-plausibly interpreted to strengthen that gets interpreted in a certain kind of way. So, that's pretty much what happens. Once the Mianjun happens, everyone's saying, "We already cut taxes in the lower Yangtze, in response to Taiping. We have to cut taxes now in response to the Mianjun of China as well." And they actually try to do that. So, on the connection between the three strands, I actually haven't thought of that. That's quite interesting. I think there certainly could be somewhat plausible connections between the things. Certainly, a lot of late Ming officials blame the tax hikes on the eunuchs, and also, moral decay was all obviously tied to all three of those things. What I will say is that it's not just higher taxes that sparked the backlash in mid to late Qing. You think of the way the Qing responded to these three lessons. For every single lesson, there was a substantial backlash amongst literati. You think that eunuchs killed off the Ming? Well, we're gonna forbid eunuchs from holding power in the Qing, in a more institutional robust fashion. You think the moral decay was the problem? Well, we're gonna turn to, If you think the taxes were the problem, we're gonna commit to low taxes. So, it's not just taxes. It's a comparative matter, universal rejection of what they thought of as the late Ming paradigm. Finally on that question, that's a great question. Yes, I think part of this course, the book goes into some detail about this. There was a lot of talk about Yongzheng, for example, in the late Qing, Zhong Wenhong and Bo Shijian all talk about this a lot in Bo Wu's books and if you try to trace their contemporaries, they talk about this a lot as well. So yes, there are lots of different arguments. Keeping taxes low also helps grow the economy. It helps make resource allocation more efficient, and so on and so forth. So, that's certainly part of the discourse. That said, if you track how much political weight it was pulling, vis-a-vis the two strands that I talk about, that was



more on the side. They were saying, "Well, here are some reasons why raising taxes will kill us." Yet besides those, there are also benefits, besides basic self-preservation, of keeping taxes low. So, this helped strengthen the argument, but it didn't seem quite to be the main thing that was driving the commitments. Because again, if that were the main thing, you would not expect tax policies to be this rigid, 'cause spurring economic development in two or three groups is a flexible thing. It means, in a certain kind of way, but it's not absolute, in the way that thinking that you're in a Malthusian crisis that will lead the peasantry to kill you for those taxes is restrictive. There's different levels of flexibility between these ideas, but they certainly did exist side by side.

- [Arunabh] Thank you. Last two questions, and then we wrap things up.

- [Speaker] Oh yeah. Thank you so much for the talk. I have a question, in regards to information. My question would be what kind of information the regime was seeking? Because you mentioned that, even if there were suggestions that there should be tax reforms, one, the experience from one locale wouldn't really be considered critical enough to overturn the entire national policy. So, that really reminds me of the China Western encounter, in the sense that it wasn't that there wasn't information about the West, but that information wasn't taken seriously or wasn't channeled all the way to the top. I'm just wondering about the information channels.

- That's great.

- [Arunabh] Let's hear the last question too.

- [Speaker] My Question. I'm not sure to what extent the agriculture tax policy applies to different areas in the Qing empire. For example, in Mongolia, when the Han immigrants entered Mongolia, they would enter this permanent rental contract with local bannermen, or with the monarchy, and the local bannermen and monarchy, their property are under different jurisdiction. So, in that context, when the law imposed on the land, and the law imposed on the person who's cultivating the land is different, then we do see, I don't know, they clash or vis-a-vis taxation ideology.

- Yes, that's important. So, on the first question. You think about the overall local economy, all the information in the Qing. It was not just that idiosyncratic information can't overturn this broad macroeconomic presumption. It's also that, frankly, even localized idiosyncratic information was not that easy to come by. Because by this time most of these educated elites had retreated to the cities. They weren't as well entrenched in rural communities as they had. And if you're a rural community, you may well have tolerated more taxation, but you certainly didn't want it. So you weren't gonna volunteer information that actually, "We're producing more than you

think we are," to the officials. They have to come down and collect that information. But if they weren't gonna do that, then there's a mutual break down in communication. The communities won't volunteer any new information. The county magistrates and the county centers are strictly prohibited from going down and collecting information from them. So, how was the information actually happening, even at the local level? It's not that often. Plus, the thing is the nature of Qing agricultural growth was it happened on the back of two things. One, yes, there was more land reclamation than we thought there was. And the current estimates of how much land reclamation suggested, overall, the total arable land in the empire might have grown by 50%. But we also know that most of the actual increase in production came from higher land productivity. And land productivity is not something that's very easily observable, unless you're really closely on the ground. So, if the peasants themselves want to keep that information away from the magistrates, it's not that easy, even for somebody like Jiu Hongmo, who tries to tour the countryside to notice those increases of productivity. If you look at it, it was true that the growth of the population was outpacing the growth of arable land, so even if you had looked at localities, you would've had some impression, possibly on those grounds, more mouths to feed from one acre of land. But what was harder to see was there was actually more production going on in that one acre. And that was something that officials were never quite sure of. And everyone who tried to argue this was shouted down and then later punished. And so, as you can easily imagine, once you begin to punish people who are even raising that point, no one's going to raise that point. This is a textbook example of institutionally enforced grouping that goes on for very long periods. So, on the question of whether the empire is uniform, of course it's not uniform. Outer Mongolia, Xinjiang and Tibet are all treated completely differently in the Qing psyche. Especially in the late Qing bureaucracy's imagination, if there is room for growth, for agricultural taxation and for agricultural production, it has to come from the frontiers. This is why, starting from the 1830s, '40s onwards, they keep trying to move large amounts of Chinese populations to the frontiers. Now that said, they also think that there's not enough movement for us to really robustly tax these guys. It's also the thing that Peter applies in a larger scale here. If you're going to incentivize movement to the frontiers, you had better not tax the frontiers too aggressively right off the bat. 'Cause otherwise, you're gonna dampen incentives to move. So, their calculation was, "At some point, we can possibly increase taxes once those areas are more developed, and there's more land being reclaimed. But we can't do it now." By the time they come around to finally thinking that, "We can try to do this," it's already too late. So, this overall view of, "You absolutely can't raise taxes or the peasants are gonna kill you," this is limited to the Han Chinese portion of the empire. It's consciously limited to that portion of the empire. But at the same time, if you know the structure of the fiscal apparatus, that's pretty much in their minds the only part of the empire that's really generating

revenue in the first place. The other parts are net losses in terms of fiscal capacity, because they have to pay for garrisons, you have to pay for military. They're not even able to self sustain, and you have to use revenue from other parts of the empire to pay for that. In their minds, it'll be a long time before those parts of the empire can actually become revenue sources. So, they were thinking of the other parts in different ways. It just didn't materialize within the lifespan of the empire itself, into higher taxes.

- [Arunabh] Great. Well, thank you. What you have successfully done, I think, is make us all wish and hope that Cambridge University Press maintains its schedule, so that we can get the book and read it.

- I think it's on schedule. But I have no idea.

- [Arunabh] Thank you so much. And thank you.

- [Speaker] Story of Ming, where you have a job or establishing certain potential basic community that are outside Qing that could lead. To me, when you're saying they're really learning, it makes sense. A lot of officials say this. "We need to send ."

- [Taisu] They say this all the time,

- [Speaker] But even with overseas, they're unemployed, you need to spend them, the elite, so they can make a living for themselves. Why this contradictory attitude?

- [Taisu] So, they were also security. They were worried about . I don't know about the overseas, but they're worried about what might happen to migrating Chinese workforce. So, they're concerned about tensions and fighting over there. And Manchuria was seen as a natural homeland, so for a long time, there was . Han Chinese moving there. They thought, "We can ." The Manchu politics are complicated. On the one hand, there are security concerns, but on the other hand, everyone from downwards says, That debate, I think comes to a head in the '80s, when they decide, "Let's let the Ming ." By that point, it's too late for the .

- [Speaker] Just quickly, to me then, it seems like the ethnic component is still very present in limiting one potential-

- [Taisu] I think so.

- [Speaker] Broader solution. Although it does fall.

- [Taisu] That's .

- [Speaker] Yeah. Yeah.

- [Taisu] It's not that we can't tax the Han Chinese. It's rather that .