Local State Finance, Trade Organizations, and the Nineteenth-century
State-building Turn in an Urban Center on Qing China’s Southwestern Frontier

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This paper argues that the fiscal strains placed upon the local administrative apparatus of Qing China’s southwestern territories (and the city of Chongqing in particular) led to a series of revenue-raising schemes that fundamentally altered the way that the market was governed. It outlines the history of how local, extralegal, needs-based state demands for revenue from merchant groups formed for the purpose of taxation led to the regularization and negotiation of local state demands on merchant constituencies. The outcome of this local rationalization of state-market interactions was a diverse and active array of merchant groups whose role as state agents of commercial taxation quickly moved into other areas of municipal administration. This paper argues that, by the turn of the twentieth century, these merchant groups went on to play a central role in the increasingly complex process of local collaboration between merchant and state agents to regulate the urban market system.

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The merchant organizations of the late empire have loomed large in the history of Chinese capitalism, commerce, and market regulation. H. B. Morse, one of the earliest authors to write about these associations, cast the tone of assumptions about them for generations to come, concluding that:

… all Chinese trade gilds are alike in interfering with every detail of business and demanding complete solidarity of interest in their members, and they are alike also in that their rules are not a dead letter but are actually enforced. The result is a tyranny of the
many over the individual, and a system of control which by its nature must hinder ‘freedom of enterprise and an independence of individual initiative.’

The image of trade groups bound together by the will of the many and subjugating the desire of the individual was a perfect fit with early twentieth-century expectations among English-speaking observers about the Chinese state, Chinese merchants, and the Chinese market.

Although many of the more common assumptions about Chinese business history have been reassessed in the intervening century, the presumption of a basic and enduring separation between the spheres of the and state and the market in late imperial China has led to the assumption that economic exchange was obstructed, carved up, and made cumbersome and inefficient by the lack of impartial and just state intervention in the market. Whether because of a “Confucian” condemnation of commerce, a fundamental ineptitude, or an inexplicable ignorance, the entirety of the Chinese state stands accused of constant neglect of the market space. Interested only in taxation, moral values, and the peaceful settlement of disputes – the argument goes – magistrates struck a bargain with the merchant populations of China’s urban centers: total non-interference in the market in exchange for cooperation in securing the government’s basic objectives. In exchange for their support of the government, the assumption runs, merchant groups were offered market fiefdoms, and ran them with impunity. Thus, merchants in China’s imperial markets were governed not by legal logics, public interest, or any other predictable measure, but by the whims of more powerful, better connected merchants.

The simple binary proposed between the ‘social’ power of China’s merchant associations and the legitimate authority of the state operates in the background of the established argument that these groups became more powerful as a result of a decline of state control over the market beginning from 1800 and climaxing with the outbreak of the Taiping Rebellion in 1850. I argue that, contrary to standing

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2 The arguments motivating conclusions about the state/society binary range widely, and cannot be reviewed in depth here. For examples of some of the formulations of the distinction between state and merchant group
assumptions, the fundamental transformation of the authority of merchant groups in the nineteenth and twentieth centuries resulted from direct state initiative, and hinged upon on a new way of conceiving the relationship between merchants and the state. The history of Chongqing’s merchant groups demonstrates the emergence of these new associations was not the result of decreased state capacity or the abandonment of state prerogative to anxious social actors. Rather, it was the result of a complicated process of negotiation between local authorities, individual merchants, and merchant groups struggling to form frameworks of exclusive responsibility (zhuan ze 專責) for the performance of official service (guanchai 官差). This paper concludes that these two concepts must be placed at the fore of any attempt to analyze the nineteenth-century transformation in the links between Qing administrative practices, central policies of market regulation, and the emergence of merchant groups.

Chongqing: From Military Outpost to Commercial Hub

The city of Chongqing sits at the intersection of the Jialing and Yangzi rivers, which connect the waterways of the southwest with the wealthy markets on China’s eastern seaboard. Before the eighteenth century, Chongqing’s advantageous location at the intersection of east-west and north-south riverine traffic had not played an important role in defining the city’s profile, which had been primarily military for over a thousand years. It wasn’t until the persistent state of war on the frontier in the seventeenth and eighteenth centuries that the city emerged at the center of the province’s eastward-shifting economy.  

The location of Chongqing is indicated on the map with a star

The presence of the military establishment in the province and the opening of the Sichuan market to speculators, merchants, and adventurers from the rest of the empire in the eighteenth century resulted

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from the province’s particular place in the Qing imperial strategy.⁴ Almost completely depopulated during decades of warfare before, during, and after the Ming-Qing transition, Sichuan had been left fallow for several decades to allow the province’s natural recovery from devastation until, at the end of his reign, the Kangxi emperor fixed Qing imperial hopes to dominance on Tibet. From the beginning of the Kangxi campaigns into the west, Sichuan’s sparsely populated but productive fields became attached to an administration filled with trustworthy generals. In the ensuing decades, two rules of central policy toward Sichuan were adopted: 1. Sichuan would pay some of the lowest taxes of any province in the empire, so that the money generated from the recovery of the economy could be used to fuel long-term campaigns on the western frontier, and 2. Supervision of officials and the creation of infrastructure, usually overseen by the complicated apparatus of the imperial bureaucracy, would be minimized under a streamlined administration left under the control of the generals in charge of securing the southwestern frontier.

Because of its particular status within the empire, the majority of the wealth of Sichuan’s land did not travel up the classic administrative ladder, from peasant to province and thence to the court. Instead, funding at the local and provincial levels was impromptu and off the books to accommodate the particular needs of the provinces field administration. By the middle of the province emerged from devastation and obscurity to earn a reputation for its massive and virtually independent military administration, its thriving merchant community, its lawless peasant population living on the edge of banditry, and its impoverished local government, whose officials were often indicted for cruelty and extortion. The civil administration of the entire Sichuan territory was hamstrung by the constant assertion of the priorities of war, low levels of taxation, newly-arrived and barely-settled agricultural households and craftsmen, and a moving population of merchants who profited off of the downriver sale of Sichuan’s fabled resources. This paper employs archival materials from the Ba county collection in Chengdu, as well as secondary

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published sources, to reconstruct the basic outlines of the two types of merchant groups that arose in the nineteenth century on this frontier.  

A History of Eighteenth-century Market Regulation and Taxation in Chongqing

Sichuan’s history, strategic position, and underdeveloped administration in the High Qing combined to form a perfect storm of long-term infrastructural stresses on the province. At once wealthy and poor, local governments and city infrastructure struggled with the burden of the province’s military expansion and population growth. The result was an untenable tension between austere central policies of non-intervention in the empire’s markets, on the one hand, and desperate attempts to fund the growing needs of a resource-hungry provincial administration, on the other.

Commercial Taxation in the High Qing

The untenable relationship between imperial policies on commercial taxation and the revenue demands of imperial projects in the early nineteenth century was rooted, first and foremost, in the fiscal policies of the seventeenth and eighteenth centuries. Over the course of the first half of the Qing, the complicated and difficult-to-control instruments of taxation surviving from the Ming dynasty were reigned in, simplified, and centralized. In the realm of market and craft revenues this procedure began early, with the Shunzhi Emperor’s 1645 abolition of provincial-level registration of “craftsmen households (匠籍).”  

This simplification of the corvée system surviving from the Ming dynasty was

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5 There were several market institutions run by merchants, and only the two that emerged in the nineteenth century will be covered in this paper. The two institutions that arose in the eighteenth century – the ba sheng huiguan (or Eight-Province Association) and the yahang system of licensed brokerage – are covered in other work, but cannot be described here.

6 On the disbanding of the artisanal and commercial systems of corvée, see 陈亚平 清代法律视野中的商人社会角色 中国社会科学出版社北京 2004, pp. 72-78. It is interesting to note that the craftsmen household registration system was abolished almost a full century before the Yongzheng Emperor’s 1723 destruction of the
solidified and expanded in 1724, when the Yongzheng Emperor decreed that, thenceforth, all taxes – including the corvée labor requirements – would be combined under a single system of revenue collection, based on land ownership instead of household registration. From this point forward, all forms of obligation to the central government were covered under the one, single system of land-based taxation; all labor and materials required by local governments, after this point, could no longer be procured through systems of corvée.\(^7\) The ramifications of the Yongzheng Emperor’s extreme simplification of the tax system were so far-reaching that both he and his successor were required to promulgate dozens of follow-up edicts to implement the simplification of systems of local finance that resulted from this imperial initiative. The result of this decades-long process was the construction of a single, comprehensive Qing market system which, in contrast to its predecessors, featured strictly limited forms of commercial taxation (on transport and through licensed brokers, or \textit{yahang}牙行, only).\(^8\)

One of the many institutions of market regulation and taxation that was rendered obsolete by eighteenth-century reforms was the \textit{hang} (行). Originally formed as trade-based units for the delegation of administrative tasks in the era of the Tang market system (from roughly the seventh to the eighth century), these units had survived over a thousand years the collapse of the Tang market administration as administrative labels for the taxation of merchants plying the same trade.\(^9\) From the Song onward, the

\(^7\) Chen Wenping 陈文平 Qing dai fuyi zhidu yanbian xin tan 清代賦役制度演变新探 Xiamen: Fujian University Press 1988, p. 18. This sudden overturning of the millennia-long imperial practice of direct government procurement from the market through corvée was made all the more dramatic by the fact that, twelve years previous, in 1712, the Kangxi Emperor had declared a permanent ban on any and all new forms of taxation. See Zhang Xuemeng 张学檬 Zhongguo fuyi zhidu shi 中国赋役制度史 (Xiamen: Fujian University Press) 1994, pp. 590-595.
\(^8\) The institutions that arose from this process and their implementation is the subject of Chapter Three of my forthcoming dissertation.
\(^9\) Katô Shigeshi, “On the Hang or the Associations of Merchants in China, with Especial Reference to the Institution in the T‘ang and Sung Periods,” Research Department of the Toyo Bunko (The Oriental Library) No. 8 Tokyo. The Toyo Bunko. 1936. pp. 45 – 83; 53, 54, 57 – 59. Katô Shigeshi points out that the formation of these groups and their relationship to the local governments of the Song entailed \textit{hang} rights to claim monopoly over their own trades. This argument was one of the earliest claims that Chinese systems of merchant and trade organization might resemble European guild systems. Richard von Glahn, in a recent review, revisits this thesis and rejects the
Tang form of hang organization served as the basis of taxation by local offices, which demanded both compulsory hang obligations and official purchase at below-market prices.10 The arrangements struck between merchants and local statesmen varied from place to place and over the course of time, but by the Zhengtong (正統) reign (1435-1449) of the late Ming, the use of hang for supplying the immediate or unbudgeted needs of the local government was already integrated into urban systems of taxation.11 These systems of merchant mobilization were vital instruments in bridging the ever-widening revenue gap generated by outdated land registers and the increasing mobility of the growing population.12

The proliferation of local systems of merchant registration and taxation from the late Ming had survived into the early Qing and, by the eighteenth century, became the targets of criticism under the new fiscal regime. Local officials were accused of using these hang for degenerative and irregular and extractive practices.13 As Tian Wenjing, pure yellow bannerman and a favorite of the Yongzheng emperor, wrote, this venerable form of market taxation at the local level operated in explicit conflict with the fiscal goals of the central state:

The practice of “official hang service” is a most odious custom. Officials are the protectors and caretakers of the commoners, and it is most fitting that this practice be forbidden. Clearly, every object has its value, and every object has its price. If exchange is not fair, then the victim loses money. But in the empire’s county yamen men eat, drink, wear, and use items that have all been purchased at below the market price. They pay less than half of what the items are worth. There are even cases where they take items by force, and don’t even give a little bit of money. Or they

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10 On the function of the Song hang system, see Katô Shigeshi, “On the Hang or the Associations of Merchants in China,” 62
11 We know very little about these organizations at the local level, but a hint is offered in Shen Bang’s account of his magistracy of Wanping (宛平) county. See 沈榜. 宛署雜記. 北京古籍出版社, 1980, p. 103
13 See, for example, 李漁全集 第十六卷 資治新書, 初集, pp. 238-239.
give too little, and call that the “official price.” Then they go and use the items for themselves and
call it “official use.” The hang pay for all of it, and the merchants grin and bear it, while the
officials rejoice in how thrifty they are… Among the small-time con-men and drifters, if there is
one who forces a low price in a sale, it is punishable under the offense known as “forcible
purchase.” If a man takes something without paying, he is penalized as a thief… But what of these
men who freely take from shops, without paying any price, or paying so little that the shop owners
are driven to insolvency and hardship?14

In 1740 the local practices of official procurement through the hang system – which had already been
made obsolete by policies from the Yongzheng era – were explicitly outlawed by imperial decree. In an
edict that was adopted into the Qing Code in 1740, the Qianlong Emperor decreed that local offices and
were unilaterally barred from using official purchase as a means to procure items below market price:

All commodities required for the official or private use of all municipal and provincial yamen
must be purchased fairly and at market price. It is not permitted to require yahang to procure them
or to allow yamen employees to illicitly demand them. If an official service is undertaken (即有差
辦), it must be done in a fair manner, and it is not permitted to use this as an excuse for extortion.
If officials fail to properly observe yamen workers, who thus abuse their power, then they will be
handed over to the Board of Personnel for a decision about proper punishment. The yamen worker
in question will be punished in accordance with the statutes on yahang or unregistered vagrants
who force merchants to submit their goods for sale…15

By the close of the eighteenth century, only the yahang institution of licensed brokerage could be used to
tax commerce. The promulgation of the above legal statute marked the completion of the Qing
centralization of commercial taxation: no competing forms of governance or taxation or market
organization were permitted to exist outside of the yahang system, and the official brokerages could only
be used to collect imperially-sanctioned taxes.

Illicit State Demands: From Official Procurement to Official Service in the Eighteenth Century

Central state measures designed to protect merchant interests narrowed the precarious margins on
which Sichuan’s underfinanced local governments operated. The early appearance of new commercial
taxation schemes in Chongqing was due in part to the large gap that had existed between imperial policy

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15 大清律例,戶律,市廛,〈把持行市〉第六條例; see 大清律例通考校注, p. 533:
大小衙門公私所需貨物,務照市價公平交易,不得充用牙行,縱役私取,即有差辦,必須秉公提取,無許
藉端索要。如有縱役失察,交部分別議處。其縱役照牙行及無籍之徒用強邀截客貨者,不論有無詐瞞貨
物,例枷號一個月,杖八十。如贓至二十五兩次者,照枉法贓問擬。所得贓私貨物,分別給主,入官。
and local practice in Sichuan since its incorporation into the Qing imperium. The *ad hoc* nature of the field administration and lax provincial attitudes toward the funding and execution of local projects meant that most of the income required for county-level administrative needs was collected on an informal or illicit basis.\(^{16}\)

As soon as the system of official purchase was explicitly outlawed, local officials in need of new sources of revenue began to cast about for creative interpretations of the newly promulgated laws. In Chongqing the series of innovations that followed hinged upon the creative interpretation and deployment of a single character from the above statute: *chai* (差). The word *chai* appears often in the scholarship on merchant groups in the Qing, especially in its two-character form *chaiwu* (差務), which is generally understood as a type of tax demanded of merchants by local officials.\(^{17}\) But China historians to date have overlooked the root meaning of this word as it was employed in the 1740 law, and the implications of that meaning.

A “*chai,*” in Qing bureaucratic parlance, was *not* a type of tax. Rather, it was a commission from an official office to a specific delegate to carry out a specified service or duty.\(^{18}\) It was in this sense that

\(^{10}\) On the tensions behind the emergence of this “informal funding” and its many forms at the local level, see Zelin, *Magistrate’s Tael*, pp. 25-71.

\(^{11}\) One scholar has summarized the meaning of the term *chaiwu* as “the funds, services, and commodities levied from commoners in the jurisdiction of a local government to meet the expenses of handling its regular public duties.” Zhou Lin 周琳. “传统商业制度及其近代变迁：以清代中后期的重庆为中心 [Traditional Commercial Institution and Its Modern Transformation: A Case Study of Chongqing, 1752-1911].” PhD diss., Qinghua University 清华大学, 2010, p. 112. Some scholars have even done the work of constructing their own taxonomies of *chaiwu* by reviewing the documentary evidence of official requests to merchants. Such work has concluded that *chaiwu* could be requested by local officials requiring goods and services for everyday tasks of administration, as well as for special activities sponsored by the local government, such as the performance of the seasonal rites and the hosting of exams. *Chaiwu* could also be demanded by military officials based on the needs of campaigning troops, and by provincial officials requiring service, logistical support, or entertainment during their time in the city of Chongqing. Since these levies were extralegal, they did not possess official categories. The taxonomy employed here is a combination of the classifications found in Liu Jun 刘君. “清前期巴县城市工商业者差役初探.” 历史档案, no. 02 (1991): 87–92, Fan Jinmin 范金民. “把持与应差:从巴县诉讼档案看清代重庆的商贸行为 Monopolies and Government Contracts:Trade in Qing Dynasty Chongqing Seen from the Records of Legal Cases in Baxian.” 历史研究, Historical Research no. 03 (2009): 59–81, and in archival documents.

\(^{12}\) This term appears in a number of fixed phrases, such as “*qin chai*” (欽差), which is a commission handed down by the emperor to a special delegate to handle imperial affairs in the provinces. Or “*chengchai*,” (承差) a noun
the 1740 law deployed the term. In one simple sentence, the legal framework for a new type of merchant-state interaction was put forth: “If an official service is undertaken, it must be done in a fair manner, and it is not permitted to use this as an excuse for extortion. (即有差辦, 必須秉公提取, 無許藉端需索).” 19

The subtle difference between procuring goods required for “official duty” and obtaining them through official purchase triggered a profound transformation of merchant-yamen interaction in Chongqing.

Uses of Chai Obligations to Demand Procurements in Eighteenth-century Chongqing

The earliest form of chai deputization in Chongqing was the mobilization of the city’s existing base of licensed brokers, whose duties were expanded to include the procurement of materials within and related to the trade associated with each yahang license. 20 The registered merchants already in charge of taxing commerce at the point of transaction were charged with carrying out procurements for the local government under the pretext of “handling official service (ban guanchai 辦官差).” In order to maintain the resources necessary to respond to growing demands by the local government, yahang began to establish surtaxes on each transaction to raise funds for the purchase of goods required for official service. 21 These cash contributions were managed by the yahang of each trade, and formed a liquid fund

used to apply to an individual who has been deputized to undertake an official duty. For Qing-era explanations of these terms, see 六部成語（清）李鵬年等編. For an English-language translation and discussion, see E-tu Zen Sun, trans. and ed. Ch’ing Administrative Terms: A Translation of The Terminology of the Six Boards with Explanatory Notes (Cambridge: Harvard University Press), 1961.

19大清律例, 戶律, 市廛, （把持行市）第六條例; see 大清律例通考校注, p. 533: 大小衙門公私所需貨物, 務照市價公平交易, 不得充用牙行, 繾役私取, 即有差辦, 必須秉公提取, 無許藉端需索。如有縱役失察, 交部分別議處。其衙役照牙行及無籍之徒用強邀載客貨者, 不論有無謊賄貨物, 例枷號一個月, 杖八十。如贓至二十五兩次者, 照枉法贓問擬。所得贓私貨物, 分別給主, 入官。


21 Zhou Lin remarks on the use of yahang to levy extra taxes on page 92 of her dissertation. (CHECK HER YAHANG ESSAY FOR A BETTER CITATION? FIND A NOTHER PAGE IN DISS?)
designated for use in performing *chai* obligations and in providing basic services for members of the trade.\(^{22}\)

Shortly after the city’s *yahang* were made responsible for the procurement of materials and the raising of funds for official service, the local government began demanding contributions from these newly-mobilized trades in the name of *chai*.\(^{23}\) The groups that were formed to respond to these demands are referred to in documents at the time by a series of names depending on each trade, but are collectively known as the *hang* of Chongqing. The dates of the founding of the city’s various *hang* organizations are obscured not only by the incomplete documentary record of the eighteenth century, but also by the illicit nature of these organizations. But indirect and anecdotal evidence provides a partial picture of the rough chronology of the organization of local trades into *hang*.\(^{24}\) The earliest *hang* for which we have direct evidence was organized by the tin trade in 1767, followed in the 1770s by organizations for the coal shops, bamboo shops, and aluminum craftsmen of the city. Other *hang* organized at some point before 1800 (but with an uncertain founding date) included retailers of grass mats, retailers in the general store trade, print shops, pork butchers, wooden chest craftsmen, and milling houses. Over the course of the first three decades of the nineteenth century, further *hang* were registered for fruit producers, bronze lamp and lantern workshops, blacksmiths, cotton pulling firms, roof tile kiln operators, purveyors of the cow hides and bones trade, sedan shops, tea coolies, barrel makers, cement laborers, textile dyeing workshops, and craftsmen who specialized in carving and lacquer ware. Using *hang* organization, the small, local, and

\(^{22}\) These funds could be used for a range of trade activities, including the purchase of property and the performance of seasonal rituals. For a discussion on the handling of these funds, see Zhou Lin FORTHCOMING.

\(^{23}\) Workshops and manufacturers producing items locally had been exempt from the licensed brokerage system since the Yongzheng Emperor prohibited the collection of taxes on local markets.

newly-emerging trades of the city could be directly tasked with the procurement of various materials and funds.25

The city’s new hang organizations were required to elect representatives responsible for liaising with the yamen. These individuals were required to sign a pledge (認狀) at a local government office, indicating their obligation to become “responsible for handling all chai duties (承辦一切差務).”26 Few direct testimonies of this practice survive, but one legal suit filed in 1845 by Pu Yihe (濮義和), of the copper leaf trade, summarized the story of the early organization of his trade:

My ancestors came to Chongqing to operate a copper leaf workshop in the Qianlong era. Responsibility for performing chai duties were shared equally among all workshop owners, but my family was raised up as the head of the trade, so that there was clear leadership (承認差務，皆系開作坊人共同幫差，不過舉蟻一家為首，得有專司). This practice has been passed down through several generations to today, and each has preserved the established guidelines. The pledge on file in the War Department of the yamen is available for perusal (兵房卷宗可查). All those who open a new workshop, or hire new craftsmen from distant places, are by rule required to put money into the association (幫銀入會)…27

Lacking the existing structure of trades organized under yahang licenses, hang tradesmen were required to adopt their own organizations for the fair distribution of chai duties, and compelled to appoint a single individual to represent their trade to the yamen.

Members of hang groups actively negotiated the nature and scope of their obligations to local and provincial offices. One such example can be found in the 1789 suit filed by Liang Zhengzhao (梁正兆), and Zhang Shiwan (張仕萬), the heads of the kiln operators in the city. In their suit, they explained that

26 Very few examples of chai pledges seem to have survived the rocky history of the Ba county archival collection, but it is possible that these documents were filed in an irregular manner, or were maintained strictly by yamen workers since there was no legal bureaucratic system for maintaining them. However, some examples of pledges do survive. See JQ00483: 南紀儲奇二字柴幫船戶推選陳世臣為首人卷 and documents 4 and 5 of 嘉慶內政清 6-03-00476
27 DG 商貿清 6-12-10585; 1
the official price that had been set for the purchase of ceramic tiles was no longer adequate to cover the expense of production:

… In our past performance of chaiwu we have not violated commands in even the slightest way. The previous Circuit Intendant Xu took pity on our hardship and our poverty, and set a price of 3,200 wen for every 10,000 tiles. Today, however, the price of materials has gone up. The cost of coal has doubled, and the price of transport has also increased… we beg that you take pity on our impoverished state, in which even affording food to survive is a difficulty, and responding to chai demands is [characters missing]… mercy to grant an increase in the price.28

In response, the magistrate increased the price by 1,800 wen per 10,000 tiles. Following this increase, the kiln heads petitioned the yamen to help them “avoid any error in the handling of chai, since the duties are so many and complex… and in recognition of the fact that it is difficult for each of the yamen of the city uphold the same standard (各衙難歸劃一),” and requested that the magistrate “graciously notify each yamen of the new guideline.”29 In response, a summary of the new price for tiles was sent out to the various offices operating in Chongqing.

The state was compelled to recognize these and similar limitations to official procurement practices in order to keep the performance of chai from ruining the businesses thus obligated to the administration. Members of each trade could get officials at the local or provincial level to agree to a number of limitations: ranging from the type of good which could be levied to the price that had to be paid. These agreements were then kept on file, and in some cases were carved in stone, and could be cited if yamen workers ever presented demands in excess of these precedents, which applied to all local offices.30

In addition to limiting the extractive powers of the state and its agents, the Chongqing yamen in the eighteenth century also supported the promulgation of regulations about chai designed to protect merchants operating in the markets from predation by hang and yahang agents. The local state expressed consistent concern about being able to regulate the demands of yahang brokers for levies from merchants trading in the city, and required trade-wide agreement on the collection of these contributions – usually

28 (1789) 317: QLasml 清 6-01-01899; 2
29 (1789) 317: QLasml 清 6-01-01899; 3
30 For an example of chai regulations being carved in stone and displayed in the city, see JQ 0357
known as *lijin* (厘金 or 筱金), sometimes simply referred to as “extracted amounts” or *choufen* 抽分) – before they were allowed. Agreements on the collection of transaction levies in this period depended upon market convention and trade-specific logistics, left up to each trade to determine, as long as the policy was clear and consistent.\(^{31}\)

Thus, in the first several decades of *chai* service by *hang* and *yahang* in Chongqing, the only regulations countenanced by the local state were those that protected from malfeasance either by *yamen* employees or by the merchants who were now empowered to raise revenue on behalf of the state. Over time, the forms of organization associated with the performance of delegated responsibilities became more sophisticated, and involved an increasingly large portion of the city’s established and sojourning merchant populations. The increasingly complex arrangements required to accommodate the needs of the local state and the ability of local merchants to coordinate them gave rise, at the turn of the nineteenth century, to a new form of trade group: the *bang* (幫).

In their basic logic, Chongqing’s nineteenth-century *bang* resembled the *hang* that appeared before them, but unlike *hang* merchants, members of *bang* trade coalitions were sojourners operating in large and complex industries.\(^{32}\) In order to organize these larger trades, *bang* organization was extremely complex and sophisticated from very early on. In the nineteenth century, it was these groups and the federations they grew to represent that came to play a central role in the administration and taxation of Chongqing’s market.

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*Merchant Organization and the Distribution of Trade Obligations*

\(^{31}\) For another example of a two trades that negotiated *lijin* rules in the Qianlong era, see (1792) 322: QL 清 6-01-03975 and (1785) 300: QL 清 6-01-01356, especially document 3.

It was only over the course of the nineteenth century that it became clear that the use of the notion of *chai* service was fundamentally different from other schemes of taxation or extraction. In this period Chongqing’s administration charged headlong into a new world of local state-building, as it frantically encouraged the development of merchant organizations. The constant and underlying objective of all of the complex maneuvering around the creation of merchant associations in Chongqing was the formulation of exclusive responsibility (*zhuanze* 專責) for official service. Over the course of the first half of the nineteenth century industries were organized into legible units with which the local state could interact. Local authorities relied on these units for information about the market and for the mobilization of merchants. In exchange for the guarantee that the needs of the local government would be provided for and responsibly shared among the members of each trade, the city’s merchants were allowed the ability to “manage for themselves” (*zili* 自理) the organization of their trade.

At the core of this nineteenth-century transformation of merchant groups is the principle of self-organization (*zili*). According to this principle, the members of each trade were allowed to handle *chai* according to their own preferences, so long as they did not violate Qing laws about the free flow of goods. Since this shift was the result of local bargaining beyond the purview and policies of the central bureaucracy, few pieces of direct evidence illuminate this critical point in the history of merchant organization in Chongqing. But one example of such a transition can be found in the 1793 case of Zhu Tingbiao (朱廷標) and his fellow grass mat craftsmen who, in a suit to the magistrate, complained:

We who operate the grass mat stores of the city are obligated to perform all large and small *chai* obligations for the city’s civil and military yamen. In the borrowing and purchase of thousands of grass mats per *chai*, each item costs us 2 fen, which is already a deep loss for us. Historically the prefect commanded each office that, for each occasion requiring grass mats, the demanded quota should not exceed eight or nine hundred. But recently 2,000 mats were demanded by Wei Feng (魏俸), the yamen runner, who then dared to take our mats and illicitly sell them for his own profit. When we saw one merchant Liu selling them in a stall erected on Yifeng Street, we were shocked. Those mats had cost us our hard-won capital (literally, “our blood capital,” *xue ben* 血本). The
responsibility of *chai* obligations is already extremely difficult to bear… how could that runner use it as an excuse for illicit profit?... 

In response to these allegations, the magistrate issued an order to arrest the runner Wei. But before the order had been carried out, a report arrived from several men who described themselves as the “neighbors (街鄰)” of the grass mat shops. Upon issuing the arrest warrant, they remarked, Wei had agreed to mediation with the plaintiffs.

These men did not explicitly substantiate the accusations of the plaintiffs, but reported that a compromise was struck to eliminate any future suspicion: “We judged that, henceforth, the grass mats needed for local purposes would be handed over directly by a person chosen by Zhu Tingbiao et al., so that none would be lost in the transfer, and the two parties were happy to submit to this agreement.”

Along with this report, the grass mat sellers submitted a pledge to personally handle the delivery of future mats required for *chai* purposes, and the magistrate commented that, although Wei should have been punished, an exception could be made since “Zhu et al. have been persuaded to settle the affair, and there is no disagreement. It is permitted to settle the affair provisionally and close the case.” In this unusually explicit account, the intermediary role of *yamen* employees was eliminated through the direct recognition of merchants as liaisons between their own trade and the local government.

In recognition of the mandate of eighteenth-century Qing market policies to police the boundary between administrative revenue demands and the operation of markets, the local Chongqing state tried to shift the execution of *ad hoc* local demands from members of the bureaucracy to merchants themselves. So long as merchants could be persuaded to be held accountable for the same procurements that had previously been carried out by *yamen* employees, self-organization for the fulfillment of *chai* obligations

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33 QLASMI 清 6-01-01911; 1
34 QLASMI 清 6-01-01911; 4: 近集理剖，各敘其情，實因魏俸承辦府轅搭京（？）棚差事取朱廷標自三義劉元裕等舖篾席其數不足。朱廷標等疑有隱匿，以致控案，今蟻等評論，嗣後差棚需用篾席，朱廷標等自著人清點搭棚，致無失移，兩造允悅.
was more in line with central policies about commercial taxation. By the turn of the century, self-organized Chai was the dominant form in the city.

Obligation, Self-Organization, and Exclusive Responsibility

Within each hang and bang, merchants and tradesmen began to make agreements about how the funds for this responsibility should be raised, how they were managed, how their headmen were elected, and how the discretionary funds could be spent outside of direct Chai contributions. In order to deal with the complicated demands of Chai, both hang and bang began to formulate explicit rules about the structure and operation of their representative organizations and the trades that they governed. These rules were the product of the state’s formal recognition of group self-organization for the performance of Chai duties, and the need to fairly execute their duty to act as deputies of the local state in the procurement of goods and resources. The rules of merchant groups could cover a wide range of issues, but the central object was always the same: the management of the obligations of trade service.

Within each hang or bang, the resources needed to perform Chai were mobilized in a number of ways. In smaller local trades, the labor of artisans or the provision of particular goods was rotated among shops according to a fixed schedule. In trades that participated in commerce, a group fund was often created, and every shop in a trade was required make contributions on a per-transaction basis, or

35 For two examples of merchant group rules from this early period, see JQ357, DG634
36 On the raising, handling, and disposal of merchant group funds, see Zhou Lin 产何以存？——清代《巴县档案》中的行帮公产纠纷 (forthcoming)
37 The rules of merchant associations might include rules on basic principles of business within an industry such as regulations about the use of weights and measures, monetary instruments, credit, liability for losses, and the length of loans or payment cycles. See T. R. Jernigan, China in Law and Commerce, (London: The Macmillan Company), 1905, pp. 210-211. They might also cover the structure and operation of the merchant group itself, containing guidelines about the handling of disputes, the auditing of group accounts, the system of modifying group rules, and guidelines about the management of group property. See Zhou Zhiqian 周执前. “国家法律制度变迁与清代前中期工商业经济的发展,” 边缘法学论坛 no. 02 (2008), pp. 9-10. For samples of hang rules from the Chongqing archives, see APPENDIX NN
according to a flat rate, or based on an estimate of the shop business.\(^{38}\) These surtaxes were levied in the name of “assisting with the performance of trade services” (帮办差务), and were often simply referred to as “helping funds” (bangyin). Those trades which had no formal chai obligations were strictly and actively forbidden from forming hang or bang organizations. Since they were linked to the performance of chai and thus entailed the right to tax products or services, these groups could not be founded at the will of the potential members. Illicitly established organizations that mimicked the profile of hang and bang were immediately disbanded by the court, and their leaders punished as “impostors” (冒充) who obstructed commerce.\(^{39}\)

Officially, the heads of hang and bang were required and empowered only to fairly distribute the burden of chai within their trade. The text of each license varied with the trade in question and in accordance with the formulations of each of the city’s yamen. Since the many trade chai were linked to offices other than the magistrate’s county yamen, few records of these pledges and licenses survive. One example preserved in the county magistrate’s office records is a draft of the text for “waist placards” (腰牌) issued to Zhang Rong (張榮) and Huang Hongshun (黃洪順) in 1837, after they were elected as headsmen responsible for organizing the chai services of the members of the Large River boat bang (大河幫) read:

In accordance with this placard, given to the boat heads Zhang Rong and Huang Hongshun to preserve, henceforth on every occasion when large or small chai duties are encountered, diligently and carefully fulfill them without the slightest error or negligence, or else be punished severely (為此牌給該船首張榮、黃洪順收執，嗣後凡遇大小差務，勤慎供應，毋少懈忽致干重究)”\(^{40}\)


\(^{39}\) For two examples, see DG 商貿清 6-12-10585 and DG 內政清 6-07-00834. The obstruction of commerce and forcing merchants to entrust or sell their goods through coercive means were two of the behaviors explicitly forbidden in the Qing code. SEE QING CODE.

\(^{40}\) DG810; 2
These placards entitled the holders to command members of their own trade in the name of official responsibility for *chai*, upon the authority of the *yamen* with whom the pledge had been filed.

The regularization and institutionalization of trade service spurred the growth of sophisticated groups capable of negotiating the interests of their constituents and the state.\(^{41}\) The *chai* quotas of each trade were increasingly defined and regularized, as negotiations between each trade and the state accumulated over the first decades of the nineteenth century.\(^{42}\) In the course of systematizing *chai* demands and their execution, concrete organizations began to emerge. Negotiations between members of each trade, and between trade representatives and the *yamen*, were built on a network of consensus (*gongyi 公議*) that charted the relationships between members of a particular industry and the local state. This process of dialogue and slow accretion of commercial and organizational principles was borne out of purely local state needs, and constituted a purely local state-building process. Only the principle that *chai* should be distributed according to “consensus” was formally recognized.\(^{43}\) But working with even the limited frameworks of exclusive responsibility and consensus, merchants organized into trade groups were able to stake out increasingly defined territories of authority and responsibility.

**Chongqing’s Merchant Organizations in the Second Half of the Nineteenth Century**

When war and widespread unrest in the second half of the nineteenth century created a fundraising crisis throughout the empire, the rhetoric of exclusive responsibility served as a ready tool for

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\(^{41}\) Chiu Peng-sheng argues that the market space that emerged from the end of the official price institution gave merchants more leeway to organize and negotiate with local authorities in his “國法與幫規：清代前期重慶城的船運糾紛解決機制.” In 明清法律運作中的權力與文化, edited by Chiu Peng-sheng 邱澎生 and Chen Xiyuan 陳熙遠, 275–344. Taipei: 聯經出版事業公司, 2009, p. 322

\(^{42}\) The difference between these nineteenth century responsibilities and earlier eighteenth century demands is perhaps most visible in the different descriptions of *chai* obligations for the same trade found in the 1794 suit at QL 清 6-01-01913; 1 and those found in the 1814 suit at QL 清 6-01-01913; 3.

\(^{43}\) The importance of consensus in merchant self-organization has often been conflated with hegemonic social authority, group monopoly, and “guild tyranny.” But, in fact, magistrates carefully circumscribed the authority of these groups and did not permit them to make demands for contribution to *chai* levies outside of their own membership. For an example of such a case, see DG 商貿清 6-12-10585.
merchant-state cooperation in Chongqing on an order of higher magnitude and wider scope. The burden of local demands on the market grew exponentially during this period, and over the decades Chongqing’s merchant organizations actively participated in the creation, negotiation, and maintenance of local state-building projects.

The *chai* that had first given rise to merchant organizations in the city increased several-fold in this era. Chongqing’s merchants became responsible for not only the immediate needs of the municipal administration, but also support for campaigns and infrastructural improvements throughout the province, as well as contributions for war efforts across the empire. The increasing regularity and rationalization of revenue demands is most apparent in the implementation of *lijin* in the city. This tax raised funds for county, prefectural, and provincial levels of the administration in addition to revenue for armies fighting in other provinces. The city-wide organization of commercial taxes under the *lijin* framework was the first time that commercial levies beyond the *yahang* tax were countenanced as legitimate revenue.

The implementation of *lijin* and other new municipal institutions of market taxation transformed the systems of merchant-organized tax collections into legal municipal institutions, and the new taxes levied by the late nineteenth-century state were organized by the institutions that had emerged a hundred years previous. The higher stakes and larger demands of commercial taxation in this period led to a flurry of disputes about the obligations of merchants participating in the exchange of taxed commodities in  

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45 For example, see 咸豐内政清 6-18-444. The revival of *tuonian* units and the creation of new municipal organs provided a direct, local demand for funding. Demands on the city’s *yahang* increased as well, and suits from licensed brokers demanding held with the enforcement of *lijin* regulations or proclamations outlining guidelines for the remittance of contributions became common. A classic example of this type of plea, and attendant accusations of *lijin* evasion, may be found at TZ 内政清 6-23-00904. By 1854, *hang* and *bang* were already committed to providing contributions for the city’s *tuonian* bureau. In this year, the white cotton *bang* alone owed over 1,000 taels to this municipal institution 咸豐内政清 6-18-127
various capacities, who grappled with the transition from the early Qing market system model of *yahang* taxation of long-distance trade to the new regime of taxation on all forms exchange in the city’s markets.

Disputes over *chai* distribution and *lijin* collection across different fields within each of the city’s trades triggered a new cascade of negotiations between merchants, merchant groups, and the local state about how to distribute these new demands. The agreements that arose out of this process were designed to meet the needs of all agents involved in the taxation of commerce: from the sojourning merchants of the city to the shop owners of Chongqing and the local state as well. The enlarged scope of this round of bargaining fundamentally altered the goals and parameters of the agreements produced, and entailed a basic transformation in the purpose and operation of the city’s merchant organizations.

*C"ase Study: Chongqing Medicine Trade Levies in the Second Half of the Nineteenth Century*

In order to distribute obligations among different sectors of each industry, merchants and craftsmen struggled to define new rules about exchange that could incorporate agents involved in every part of production and transaction. Merchant group rules about the collection of taxes, the pooling of funds, and the handing of trade went from being recognized only within each group in the first half of the century to being the basis for municipality-wide conventions in the second. Market actors of all kinds were held up to the standards spelled out in these new guidelines, and the *hang*, *yahang*, and *bang* of the city became responsible for ensuring that all men and women operating in the market did so according to established regulations.  

One example of the creation of interlocking forms of commercial organization in the second half of the nineteenth century can be found in the medicine trade. Medicinal herbs harvested from the unique ecosystems of the southwest had made up a large portion of the trade flowing out of Chongqing since the market’s revival in the eighteenth century. When *yahang* licenses were granted to the city in the Yongzheng era, those involved in the medicine (藥材) and mountain goods (山貨) trades, which

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46 For examples, see (1878) 204: GX 內政清 6-31-03527; GX 商貿清 6-43-25981
specialized in these rare and expensive herbs, were granted a total of 63 out of the city’s 152 licenses, making up over 40% of the total taxed trade coming in and out of the city.\textsuperscript{47} The expansion of markets shipping goods in and out of the city only increased the flow of medicines being bought and sold in Chongqing, but by 1873 the twenty registered \textit{yahang} of the medicine trade reported that the industry was facing a crisis:

We have accepted licenses from the Board of Revenue to open medicine brokerages, pay national taxes, and facilitate commerce. Since 1856, when the \textit{lijin} bureau was established, rotating registers have been distributed, and responsibility for collecting the medicine \textit{lijin} has been invested in us 取得藥厘… last year all of the \textit{yahang} licenses were audited and renewed, but who knew that these last few years the revenues supporting the national tax would plummet, and even \textit{lijin} funds would decrease? If one examines the reason for it, it is all because there are treacherous commoners who plot together to operate medicine warehouses, and collude with rootless adventurers (無業遊民) who call themselves ‘brokers’ (\textit{jingji 經紀}), but have in fact never obtained a license or submitted tax revenue or even obtained a register for the payment of \textit{lijin}. These men dare to represent customers in buying and selling, and take a commission, but do not submit any part to the \textit{lijin} bureau. Merchants from afar are conned by them, and thus fail to submit their goods to a licensed \textit{hang}. They are cheated, and their goods embezzled, and the harm of it can barely be put into words. Those who open medicine warehouses originally confined themselves to feeding, lodging, and the storage of goods. But jealous of larger profits, they have refused to contribute to the national tax or the \textit{lijin}… We beg you to gracefully permit a proclamation and establish that this practice will be strictly prohibited, and the practitioners arrested, in order to protect the source of national revenues and maintain the integrity of the \textit{lijin}.\textsuperscript{48}

The magistrate agreed to the request, and issued a proclamation “to all of the merchants and peddlers buying and selling in Chongqing, as well as the warehouses and brokers (\textit{jingji ren}),” that “those of you who run medicine warehouses are only permitted to welcome merchants to store goods, and are not allowed to represent customers in buying or selling.”\textsuperscript{49} The notice was posted in every ward and suburban neighborhood of the city.

In response, a group of men proclaiming themselves to be brokers from the medicine \textit{bang} (藥幫經紀) protested against the claims of the \textit{yahang}. In their own suit, they argued that “whenever short-distance peddlers come to Chongqing, it has always been we brokers who handle the transaction, collect the \textit{lijin}, and issue an official receipt. The seller offers a small commission to us for our labors so that we

\textsuperscript{47}乾隆：巴縣志; 卷三: 課稅
\textsuperscript{48} TZ904; 2
\textsuperscript{49} TZ904; 3
may support our families.” They brokers accused the medicine *yahang* of using their superior resources to bully and oppress the *jingji* trade, which had traditionally dominated the small, local traffic in medicines. Claiming that the magistrate’s support of the previous suit threatened the livelihoods of “several thousand” of the city’s *jingji*, these men won the permission of the *yamen* to hold a trial. In the two months before this trial was finally summoned, over a dozen suits were filed by various members of the medicine trade, debating whether or not *jingji* had a role in the trade, and what that role ought to be.

The Circuit Intendant commanded the *lijin* bureau to ask the heads of the Eight-Province Association to mediate between all of the parties involved. The proposed compromise ensured the continued ability of each type of intermediary to peddle his trade, and relied upon a comprehensive system of tax collecting and reporting. The Eight-Province Association declared that “from now on, every time that medicinal goods arrive at Chongqing, the harbor porters shall first take them to the *lijin* bureau and report the number, types, name, *hang*, and warehouse where they are to be stored on a receipt.”* Lijin submissions could then be checked against the receipts on file at the bureau, and any inspections or reports of wrongdoing could use these records as proof of the movement of goods. Licensed *yahang* brokers could continue to specialize in the sale of large wholesale goods, and unlicensed *jingji* brokers who could not afford to purchase a *yahang* license could sustain themselves with commissions from small sales. One third of each *jingji* commission be set aside to contribute to the *yahang* for trade expenses.

Seven years later, when a similar dispute broke out among members of the trade, the magistrate referred the case back to the *lijin* bureau, which clarified the standing regulations of the trade with the help of the medicine *bang* and, with the magistrate’s approval, had the rules of the trade “engraved in

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50 TZ904; 5
51 In this period of widespread negotiation between the merchants, merchant groups, *yamen* employees, and local government of the city, the BSHG played an important role in helping merchants negotiate, ratify, and maintain the trade guidelines that were established. For more on this process, see the description in Chapter 5, as well as QPS BANGGUI PIECE, Liang Yong 移民、国家与地方权势——以清代巴县为例 [Immigrant, Nation, and Local Authority: The Case of Qing Ba County], forthcoming, pp. 261-262, and ZHOU LIN DISS SECTION.
52 TZ 内政清 6-23-00829
stone for preservation through the ages and dissemination throughout the land (出示刊碑以垂久遠至)。”

In this case as in others, the priorities of the court were to foster arrangements that could successfully produce revenue while also maintaining those institutions that facilitated commerce and restraining opportunities for monopoly and malfeasance.

The history of the regulations of the medicine trade represents the general shift in merchant organizations over the long nineteenth century. What started out as a trade taxed only by yahang merchants became, after 1856, subject to general lijin taxes. The challenge of taxing all commercial exchange (rather than only long-distance wholesale transactions) meant that yahang merchants had to work together with the warehouse owners and unlicensed brokers in the industry to establish trade-wide regulations. The negotiation and implementation of these regulations involved the Eight-Province Association, the lijin bureau, and even the porters of the city. By the end of the century they had been ratified by the magistrate’s office and slated for inscription on large stone tablets to inform all men and women trading in the city about the regulations dictating exchange in the trade.

In this era, the guidelines of merchant associations finally began to move from the realm of internal, ad hoc policy within each organization to ratified local precedent. The appearance of these rules in the markets of the city marked the spread of commercial organization beyond the boundaries of single trade groups. The forms of organization that were limited to resource mobilization in the resource-hungry years of the Qianlong administration emerged, by the end of the nineteenth century, as sophisticated organizations that combined the principles of self-governance with local authority and negotiation between all actors of the market.

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53 GX 商貿清 6-43-25981; 3
54 There are several examples of such rules resulting from intra-trade negotiations in this era. In addition to the rules of the medicine trade at GX 商貿清 6-43-25981 (discussed above), see the rules filed by the members of the thread bang and silk bang, who agreed on matters ranging from the election of officers to the exact amount of contributions required by each member GX 商貿清 6-44-27336; 3
Epilogue: Merchant Organization Reform during the New Policy Era

The history of Chongqing’s nineteenth-century merchant groups brings new light to bear on the historical import of the New Policy reforms of the first decade of the twentieth century. Traditionally considered either an ineffective last-ditch attempt at westernization by a failing dynasty or a brief flourishing of a national “bourgeoisie” that would not survive the first two decades of Republican politics, when the New Policy market reforms are cast against the background of the institutional market development of the nineteenth century they become an incredible feat of state centralization. From this perspective, the New Policy era should be considered a culmination of over a century of state-building innovations.

The New Policy reform that bore most directly on merchant groups was the call to create chambers of commerce (shang hui) across the empire. Promulgated less than six months after the September, 1903 founding of China’s Bureau of Commerce, this reform was one of the first innovations in commercial regulation during the New Policy era. Chambers of commerce were federated, representative, and ratified unions of the merchant organizations in a particular city. The preface to the chamber of commerce guidelines laid out the bureau’s vision for these new organizations:

Examine the interaction between East and West since the two have begun to trade with one another, there are very few who don’t understand it as a struggle for commercial supremacy… up to now, strength in this struggle has been derived from chambers of commerce. These institutions are instruments for the facilitation of commercial affairs, the protection of profit, the forging of connections without conflict, and the spread of trust without cheating. Other nations have been able to diligently cultivate these organizations, and their markets have thrived as a natural result. But the markets of China have never been thus cultivated. Not only is there distrust between merchants and officials, but also merchants of the same trade know little about one another… In order to end the distrust between merchants and officials, commercial affairs must be set in order

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56 For a more general review of the reforms and the commercial laws promulgated during this period, see Cheng, Joseph Kai Huan. Ph. D. dissertation. Chinese Law in Transition: The Late Ch’ing Law Reform, 1901-1911. Brown University, Ph. D., 1976
and standardized, and only then can the Ministry of Commerce can exert its energies in protecting the markets. Thus ... if China does not establish chambers of commerce, the market cannot thrive. The main duties of chambers of commerce are twofold: 1. They wipe out the internal disorders plaguing the market; and 2. They are dedicated to the study of the factors that influence commerce... Once chambers of commerce have been established, the details of the empire’s plan to facilitate the development of the economy will be deliberated upon by merchants themselves, who will agree on a set of rules, and submit those to the Ministry of Commerce for examination.

The guidelines for creating chambers of commerce throughout the empire, issued in January of 1904, mandated that all general trade organizations be converted to chambers of commerce. The duties of the chambers of commerce were broad: they were expected to cultivate an esprit de corps among the merchants and shopkeepers of each city and to investigate and propose solutions to the problems that plagued the local market. Chambers of commerce were empowered to represent the interests of their constituents to both local authorities and the national bureaucracy, and were expected to report to the Bureau of Commerce regularly to describe market conditions, report technological innovations, and post their financial activities. At the local level, chambers of commerce were given the authority to compile and publish local rules about the conduct of trade as long as those rules did not conflict with imperial prerogative. These new organizations were also charged with overseeing the mediation of commercial disputes, the registration of new businesses, the notarization of contracts and proofs of exchange when desired by members, the study of commerce, and the deliberation and proposal of commercial policies.

In other words, the empire’s new chambers of commerce were supposed to serve the same function as their antecedents, but to do so in an official capacity and in coordination with the central bureaucracy.

The Chongqing General Chamber of Commerce was formed on October 17, 1904. Most of the records from the early days of the Chongqing General Chamber of Commerce were destroyed in bombing of the city during World War II, but indirect evidence from the documents of the Qing magistrate’s office indicate that the heads of the chamber took quickly to their responsibilities. The chamber undertook new obligations to oversee and report on the market in general, working together with the local Bureau of Commerce...
Commerce to compile statistics and reports on specific industries. It also distinguished itself as the busiest and most authoritative forum for the resolution of commercial disputes. The organization grew steadily and by 1910, the Chongqing General Chamber of Commerce had 1,200 member shops and 84 representatives (會董). The new organization quickly rose to a position of local prominence, enjoying exclusive authority and close communication with the local administration on all matters commercial. Eventually, it managed to outlive not only the Qing dynasty that first mandated its existence, but also the tenures of several military men who governed the city in the years of the Early Republic, the Nationalist Party organs that were introduced in the 1930s, and eventually the full brunt of mobilization during Chongqing’s stint as wartime capital from 1938 to 1946.

Conclusion

In service to the strict narrative elements of Marxist historiography, the history of Qing and Early Republic chambers of commerce has been summarized uniformly for decades as the brief flowering of a petty bourgeoisie during the China’s brief and tumultuous transition from an agrarian empire of peasants to a liberal capitalist state in need of liberation. Scholarly attempts to reinterpret the legacy of these merchant associations have made much ground in many areas, but have continued to take the social (or civil) nature of these organizations for granted. In so doing, scholars have continued to rely upon the axiomatic assumption that markets in the late empire were dominated by impenetrable and unrestrained social authority, and that many of the failures of China’s twentieth-century state and market may be attributed to the lack of a strong state presence in the imperial economy.

This paper has demonstrated that the merchant groups of the late empire were not the unpredictable, secretive, and tyrannical instruments of monopoly that British observers like H. B. Morse

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59 Zhou Yong, Chongqing tongshi, p. 596
presumed them to be. Rather, they were coalitions formed and operated in response to the demands of the local state, and operated primarily as forums for the production of consensus about how to tax and regulate local markets in accordance with local conditions. These groups were the product of intimate, sophisticated, often contentious, but extremely powerful collaboration between magistrates and merchant groups.

The formation, evolution, and operation of these groups has remained shrouded in mystery not because of their cabalistic nature or because of the inscrutability of Chinese market institutions, but rather because of how quickly historians have taken for granted the conclusion of nineteenth- and twentieth-century British observers that the Chinese market was irrational in the extreme. The ramifications of these unfounded characterizations have unfolded within the scholarship on the develop of the Chinese economy for over a century, to the point that even some of the most basic technical terms of state-market interaction are no longer understood What one finds, upon a closer examination of the details of the evolution of merchant groups in a city like Chongqing, is a story of state-building, administrative innovation, market development, and a careful negotiation of local, provincial, and national interests that produced institutions so powerful they outlived even the dynasty that created them.