

Dynasty	Capital	Agrarian and fiscal situation, reforms and revolts
Ming 1368 – 1644 AD	Nanking, Beijing (1421)	The <i>Ming dynasty</i> was erected by one of the leaders of the “Red Turban-Rebellion”, which had brought down the <i>Yüan dynasty</i> . The small peasantry initially enjoyed significant protection under him as emperor <i>Hongwu</i> and his successor <i>Yongle</i> . Financial demands from the military and wars and the loss of control of the court’s luxury spending as well as the effects of a <i>de facto</i> commodity money-regime, together with a “Small Ice Age” made the situation for the small peasantry unbearable. Following years of great popular insurrections between 1627 and 1644 Ming general <i>Wu Sangui</i> joined forces with the Manchu and helped to establish the <i>Ch’ing dynasty</i> .
Ch’ing (Manchu) 1635 – 1911 AD	Beijing	The establishment of <i>Ch’ing dynasty</i> all over China involved, particular in the southern Yangtse-region, the widespread formation of small independent farmers. The Ch’ing erected military-agrarian settlements, organized water-control and irrigation projects, lowered taxes for peasants and established an effective system to collect them. The flourishing of the Ch’ing dynasty ended with is ongoing loss of control over its military apparatus, its provinces, the state’s spending and the agrarian and fiscal situation: This resulted in large peasant and other rebellions, with the <i>Taiping peasant war</i> (1850–1864), with an aggregate number of dead of around 20–30 million, as the most terrible. These internal evolutions contributed to disarming the Ch’ing dynasty to Western attacks, in particular since the First Opium War of 1840.

Section 4. The failure of conservatism/restoration, ancient prosthetics and their dilemmas

A story with a result known in advance

The general result of the ancient master drama

The story, which the ancient master drama tells, is of the type of a tragedy. Its result is everywhere the same: It ends with the appropriation of the small peasantry’s land by large wealth owners and with the small peasants’ successive social annihilation. They are ejected from what had previously been the one and only large landowning

class. Following this, they may, in Greece and Rome in particular, lose their citizenship or become bandits or fall into slavery. Not seldom, they join rebellious movements, whose characters oscillate between banditry, social revolutionaries and religious sects. This outcome resulted from the general failure or conservative-restorative policies vis-à-vis the social master drama. It showed the “incompleteness” of capitalism, if it is superimposed with the task to provide means of subsistence and other values-in-use to the human environment of the economy. The drama unfolded differently depending on the circumstances, regions and time. It sometimes expedited or slowed down its pace, sometimes it changed its course for a while and peasants won transitorily.

Circumstances particularly damaging to small peasants

If large landowners wanted to lay grip on the land of small farmers, then almost everything worked in their favor. The agricultural surplus of small farmers was mostly too marginal for them to maintain significant stores with reserves of seed or food. Thus, a little bad luck – droughts, flooding, bad weather, locust or epidemics could ruin their precariat existences. Small peasants could also not self-protect against even smaller detachments of armies in wars or civil war, or if the social and political order had collapsed and bandits attacked. Great landowners, while exposed to the same risks, could better self-protect and were better self-insured. Moreover, great landowners normally had more knowledge and more means to avoid or to minimize the damage wrought by adverse events. The extent to which central states squeezed the farmers through taxes or whether they granted tax reliefs would also often decide their fate.¹⁷⁴ Similarly, whether taxes were allowed to be paid in kind, by grains, or whether they had to be paid in cash,¹⁷⁵ mattered a great deal. If taxes had to be paid in cash, that allowed merchants, or again latifundia owners, underpay for the peasants produce. Central states, who should have been the allies of small farmers, also often dealt them crucial blows out of ignorance, negligent control of the tax collectors at place. The next step for peasants in distress was to take out the murderous debt that is so representative of antiquity. In the event of their likely default, great

174 We already mentioned briefly that the tax rates in normal times were often insignificant compared to modern democratic states. E.g., in 205 BC, the land tax, which was levied on actual crop yields, was at 1/15 of the yield and later reduced to 1/30, which remained the standard under the former Han. Following military expenditures, it was increased to 1/10, but reduced to 1/30 again in 30 AD. See *Sadão*, The economic and social history of former Han, page 596, 597.

175 *Sadão*, The economic and social history of former Han, page 594, 595 on the “later Han”. Except for the obligation to pay taxes in cash, small peasants found themselves still mostly outside of the money economy. Yet, their need to avail themselves with cash to pay these taxes subjected them to abuses by merchants and money lenders. (*Sadão*, The economic and social history of former Han, page 594, 600 et seqs.).

land owners would execute by seizing their land and, often, their wives, children and themselves too.¹⁷⁶ Loans, which appeared to help at first, became the crucial step to the final fall.

But not only extraordinary shocks from outside damaged small farmers, if the economy evolved smoothly and quiet, that too could put them at a disadvantage and often eliminate them. Latifundist were typically able to outsell the small farmers with cheaper or better products, given that they normally had the better land, the better seed and used more advanced technical means, such as iron ploughs, animal power, flood control, or irrigation.¹⁷⁷ They were also often able to influence large buyers to buy their products in non-economic ways, e.g., through marriage alliances of for political or other career support. Who do you do business with if one supplier can get your son a desired post at the Chinese emperor's court while the other cannot?

The aggressivity of large landowners in displacing small landowners was exacerbated by money and special situations. First, the emergence of money unleashed more motives to appropriate land and, allowing to store of wealth, made the accumulation of land more reasonable. As stated previously, this mechanism ignited probably the ugliest and most reckless period of human economic history so far, the "Axial Age".¹⁷⁸ Second, if new trade systems emerged, in which grand landowners could link in with newly appropriated land, they would often also occupy it and displace small peasants with naked violence.¹⁷⁹ For instance, as we saw, this was so after the arrival of great numbers of slaves after the Punic and Macedonian wars in ancient Rome, which not only rendered the produce of many thousands independent small peasant uncompetitive, but also generated opportunities for latifundists to use the appropriated land for slave agriculture. Such changes often also carried the needed markets along: The produce of the plantations could be sold to the Roman army and the Roman proletarians, or to the City of Rome who distributed the corn. A prosthetic measure created a market for large plantation owners that were just creating the need for more prosthetics! Equally, fertile cropland, which could be used for pasturage to supply textile manufactures and factories with wool (much like the textile manufactures and factories in England in the "enclosures" around the second half of the 15th century¹⁸⁰) motivated the appropriation of the land of small owner-farmers or the termination of lessee-farmers.

176 As an example, see *Sadão*, The economic and social history of former Han, page 545 et seq., 557–559, describing the Spring and Autumn and Warring States periods.

177 See *Sadão*, The economic and social history of former Han, page 545 et seq.

178 Graeber (2011) page 251, 119.

179 See Twitchett, Introduction, page 25 on predatory landowners driving out small peasants by simple intimidation.

180 See Marx, Capital, volume I, chapter 24; Polanyi (1944) pages 36, 73, 79.

Circumstances allowing small peasants to recuperate land

If natural agricultural crises, negative climate changes, pandemics, wars, civil wars, social unrest disorder have caused a material decline of population and a collapse of state and local order, mostly not only those who formerly worked the land but also the local grandees, who owned it, are dead. So are most state-functionaries who protected the interests of the local grandees. Landless peasants or the recovering state can, thus, simply occupy the land, often without much resistance.¹⁸¹ Furthermore, central states, if they seek to re-establish order after war, catastrophe or anomy, are mostly not only clearly aware that the small peasantry is their natural ally, but they are back in a position to act on this knowledge. There is no relevant difference here, whether these states are despotic, a free republic or a social rebellion... Furthermore, for a significant re-establishment of a small peasantry to occur, it does, in fact, not matter whether the states declare themselves to be owner of the land (and only factually allow peasants to work it)¹⁸², whether they officially distribute the land as private property to the peasants, or whether they, via some intermediary level, give the land as a feud to them. In the sense the sinologist *Kai Vogelsang* writes on Chinese History after Wang Mang (ruling 9–23 AD): “From thereon all new rulers – up to the communists in the 20th century – began their rule with a land reform; the abolition of large latifundia and the strengthening of tax-paying small peasants formed the base of the central state.”¹⁸³ It became almost normal that the small peasantry would flourish if order was re-established by a new regime, at least at first. The largest lasting period of such an improvement of the small peasants’ condition was to become the Middle Ages.

The failure of conservative-restorative policies and the meaning of the defeat of the small peasantry

Interests of central states in a strong small peasantry

Central states emerged after a local noble chief had successfully led a battle of an alliance of tribes, feudal grandees, or regions against a foreign foe. After victory, this chief would, of course, not relinquish power but seek to move on and to become king or emperor. In other cases, central states were simply formed, without foreplay, by a local noble militarily attacking and defeating other nobles, or, finally, by taking over an existing, but defunct central power. Such drives for power were mostly justified as religious or other ideological crusades. Any such state formation required

181 This, e.g., frequently happened in medieval Europe following 1300 (see *Gilomen, Wirtschaftsgeschichte des Mittelalters*, 2014, page 100 et seq.).

182 As was officially the case during most of Chinese history, from the Ch’ou to the T’ang – with certain specifics after the reforms of Shang Yang under the Ch’in.

183 *Vogelsang* (2013) page 168.

bureaucrats and soldiers, which had to be financed. Yet, even if wealthy supporter financed the war effort against a foreign attacker or the aspirant's rise to power, their willingness to provide money typically ended after the enemy was defeated or the new regime secured.¹⁸⁴ The "propensity to pay taxes" of greater wealth owners, so to speak, was constantly poor in ancient history, much below the propensity of less wealthy citizens and of the small peasantry in particular.¹⁸⁵

Accordingly, aspiring new central powers in need of finance, and in need of equipping their bureaucracies and armies, should have regarded small farmers as their natural allies and protected them, if only as a reliable source of taxes. The should have done this after conquering power as, then in particular, they had simple and effective means to this effect: "Give peasants land!" was the natural recipe of "supply-side" state intervention after regime foundation. New free farmers, of course, would stimulate trade and growth, too, and, most importantly, make the best soldiers and strengthen states both offensively and defensively. The stated correlation was widely known and a significant share of politicians and the most intelligent advisors in antiquity were well aware of it. We find discourses at courts and in bureaucracies on the subject everywhere, throughout Greek, Roman, and Chinese history, and the most famous philosophers, religious men, and political and economic thinkers all addressed this issue. If new regimes seized power, as we saw, they very often, in fact, did undertake serious efforts to support the small peasantry initially – irrespective of whether they were Greek "tyrants",¹⁸⁶ democracies, or brutal despotic regimes. Additional state policies in support of the small peasantry consisted in lowering tax rates, in particular in years of bad harvests, allowing taxes to be paid in kind (taking away profits from intermediate merchants), distributing agrarian tools or granting loans to small peasants for acquiring tolls, promoting agrarian knowledge amongst them and throwing state-managed irrigation programs etc. Furthermore, new regimes often sharpened usury laws and mitigated laws on debt execution, fixed maximum interest rates, or even distributed land conquered from foreign foes. Occasionally, as the ultimate means, they even took appropriated land away again from the local wealthy and

184 Sometimes, though, they would also enter into alliances with their foes.

185 This was no different in ancient China. See, as one example for many, *Shen*, The move to the south and the reign of Kao-Tsung (1127–1162), page 644 et seqs., page 701).

186 The word "tyrant" was given its negative connotation, like "despotism", only later. In ancient Greece, it is said to have only meant "not elected" and to have been seen as enviable by most men. (*Waterfield* (2018) page 64 et seq.).

returned it to small peasants.¹⁸⁷ If implemented early, when the dynasties were strong, or after severe crises, such measures had significant positive effects.

Contradictions within ancient states and the failure of conservative-restorative policies

However, not only were conservative-restorative policies of central states to maintain a large land-owning small peasantry an uphill battle against an entropic, near-automatic economic process (in which the decay of the small peasantry would immediately pick up speed as soon as the efforts ceased for moment), but the state, the ruling nobility and state-functionaries were *caught in intrinsic contradictions*. The overall historic failure of conservative-restorative state policies, which aimed at securing the small peasantry's¹⁸⁸ ownership of their land, can only be understood before this background. The contradictions had several aspects: First, yes, states were interested in independent peasants as both taxpayers and soldiers, but there was often just no feasible alternative to raising taxes of the small peasantry. Second, the supporters of the ruling king, dynasty or oligarchy, in particular the courted aristocratic families, who might otherwise rebel, and, of course, the emperor's own family, had to be entertained and pleased – at often immense costs. For these reasons alone, the central state often could not but kill the cow of small independent farmers, instead of milking it. Third, the central state's personnel came from the great landowners' class itself, and it was as natural to them, just as with their non-bureaucrat landowner colleagues, to try to round off their properties. All these aspects contributed to the failure of policies supporting small farmers. Historians sometimes point even to a fourth way of escalation: Displacement of small peasants, which had already taken place, with such ex-peasants joining bandit gangs or social rebellions and formed sizeable armies that the central states had to fight, drew further on its finances.¹⁸⁹ Actually, even states that already pursued prosthetic policies, which may have been triggered by the decay of the small peasantry, would use the remaining

187 Land redistribution “generally work best at the beginning of any regime when land confiscated from rival pretenders and from the ruined elite of the previous regime give the emperor large supply of land available for distribution.” (Wright, *The Sui dynasty* (581–617), page 94.)

188 Writes Gernet (1972, tome I, page 192) on Han-China: “Les premiers décrets qui visent à limiter l'étendue des propriétés privées, datent des dernières années du I^{er} siècle avant notre ère. Ils seront suivis jusqu'à la fin du III^e par une longue série d'autres décrets analogues, qui semblent avoir été généralement inefficaces, témoignant ainsi des difficultés que rencontre l'État à maintenir son contrôle et sa protection sur la petite paysannerie.”

189 Wang Shih, a formidable T'ang military commander, was entrusted to crush Ch'iu Fu's bandit rebellion in the south in 860. He opened government storehouses to the peasantry to discontinue to not further feed the rebellion (Somers, *The end of the T'ang*, page 691).

small peasants to finance these prosthetics – and often overused it. Ultimately, central states would annihilate small peasants to fund prosthetics in favor of other already annihilated small peasants and to fund armies to fight rebellions of displaced small peasants. One way or the other, they would often deliver the final blow against their former ally.

The meaning of the defeat of the small peasantry

The defeat of the small peasantry – its expropriation – meant that owners were turned into non-owners. This did away with their option to subsist independently from the economic system in a self-sufficient autarch manner. Moreover, no longer would displaced farmers be capable of offering grains or other agrarian products on markets. They had only their working power left – and whether they could sell it, on labor markets, would now depend on somebody else being willing to sacrifice money for it, either because he could make profit out of it or, more seldom, consume it.

As regards the respective piece of land, with one strike, whether it was worked and whether agrarian products would at all be drawn out of it, began to depend on a more demanding algorithm. Before it was worked if its produce sufficed to feed the family working it and allowed a tax payment etc. to the state and human physical needs, via the human motivational system, directly steered humans to the work land. Now a third “stakeholder”, the land’s new private owner, entered the game and claimed a share of the produce, too. Hence, unless the state waived a part of its share or productivity grew, the peasant family had either to work harder or to consume less. Furthermore, there was a consequential formal aspect: The new land owner was mostly not interested in piling up produce in kind (and see it rotting), but he wanted to accumulate money.¹⁹⁰ It, thus, became crucial for him, how much the market paid for his share of the harvest and whether there was a market. If there was no market or it paid too little, he would have no interest in the land being worked and not allow the peasants to work it at all. The private land owner was an $M-C-M'$ -player and, thus, imposed the profit-criterion on the whole enterprise.

Private land ownership of small peasants themselves, while they remained dependent on nature, had been able to keep their survival and subsistence indepen-

190 For the economic principle it does not matter whether the land-owner expected to receive his share in kind (and would sell it himself) or he already receives a money payment (with the peasant having to sell his share or the produce). It also does not even make a difference relevant for the economic principle whether the peasant family has to pay a money rent and retains the whole produce for itself. Some forms look more “capitalist”, others more “feudal” than others, but the economic necessities are the same. However, if the peasants are obliged to pay the shares of the private owner (or of the state) in money, that opens the door to their additional abuse by local merchants, usurer or others when they have to sell that share of the produce.

dent of the economic system. Only if they were additionally trying to exchange a part of their agrarian produce in local markets, they came in touch with the economic system at all, and only with that part. The land appropriation by latifundia owners changed all this. By the same token, humans were made non-owners and fully subjected to the logic of an owner-society. The very idea of ownership, was in fact, brought up not to make owners, but non-owners.

The failure of conservative-restorative policies and the rise of prosthetics

The issue of the small peasantry was most intimately connected with wealth accumulation by violence (see chapter I). If the ancient master drama was allowed to run its course, the peaceful, economic method of wealth procurement by exchange would undermine the inner coherence of ancient warrior states, which would destroy the prerequisites of their future success in the realm of wealth accumulation by violence – by weakening the core of their armies. The option to integrate displaced farmers as salary workers did not practically exist in a sufficient degree. Yes, workshops, e.g., where agricultural tools, carts and carriages, pottery, furniture for the wealthy, were manufactured, existed, but the effective demand for these commodities was far too low to employ a significant number of the displaced peasantry. To maintain military supremacy or at least competitiveness in warfare, the top robber states of antiquity had, thus, only two options: The *first option* was to halt and “roll back” the expropriation of the small peasantry, i.e., to turn the economic and social evolution around, to go back to the past and to reinstitute displaced peasants into their lost land or to, at least to create new “peasant positions” for them. We saw that a multitude of efforts in the sense of the first option, e.g., the assignment of land to landless soldiers after conquests of new territories, were made. But even if they no half-hearted window-dressing, they were, quite simply, not enough. If a “vessel empties”, writes *Theodor Mommsen*, “by a steady outflow, even pouring considerable masses into it is not sufficient; a steady inflow must be fabricated...”¹⁹¹ Yet, the ancient ruling classes never managed to fabricate a sufficient steady inflow. The most effective retarding or reversing moments, in fact, appear to have been the unintended or accidental natural or social catastrophes of which we spoke. The first, conservative-restorative option ultimately failed altogether.

The *second option*, was to move forward and to invent something new, an artificial, i.e., a prosthetic solution. But in what should prosthetics consist and how should they be financed? Transfer payments funded by money creation were impossible; money creation existed only as clumsy commodity money creation and this was far too marginal and unreliable to fund regularly needed prosthetics – and if it accidentally occurred, the ruling classes of antiquity would rather appropriate the new

191 *Mommsen* (1976) volume 3 page 406.

wealth themselves rather than to forward it to expropriated former peasants... Taxing the still surviving small peasants would not suffice to support their expelled former comrades either and the ruling elites had, of course, not appropriated the land of small peasants to have these lands worked to finance social transfers to the very same displaced peasants! Of course, the latifundists also had the possibility to escape such additional taxation, if the state at all attempted it. Furthermore, central states normally had better use for collected tax money... Debt was no workable solution either. If wealthowners could at all be convinced to loan money to the state, that money would have to be repaid to them; if it was given to proletarianized former peasants to feed them, it would, though, normally never return.

At the crossroads of the two options – conservatism or prosthetics –, of which none appeared to function, the ancient top robber states ultimately came up with a rather clear generally used solution: Was not the original problem the loss of the displaced farmers as soldiers for the army? And was not, indeed, a substitute for the lost peasant-soldiers quite urgent anyhow – if the respective robber state wanted to maintain its capacity to procure wealth by violence and to, equally important, defend against such projects by its neighbors? Hence, why not keep the displaced peasants in the military, but *now for pay* instead of, as before, a show of free-farmer-owners' patriotism and act of self-interest of then still members of the owners-class? This specific use of the surplus population brought with it the method to finance it, too: If things went well, the mercenary or clientele soldiers would generate the wealth needed to maintain themselves through the success of their campaigns, be it, after a victory, through jobs in the ongoing policing and exploitation of the defeated (including transportation or the like), be it as former Roman soldiers were assigned land taken away from the defeated, or be through the customary distribution of bread etc. to the sub-proletariat in Rome. If things went very well, a profit would remain left-over for the narrowed wealth owners' class. If the warfare only led to a stalemate or defeat, yet, it had at least kept one's surplus population busy for the moment and had, hopefully, provided prevention against a subjugation by the neighbors. Moreover, the warfare, by itself, would probably have eliminated a good share of the surplus-population through illness and deaths in action. If the robber states took into account – as they ought to: see the debates in the original assembly –, that in a world of imperial rivals there is no alternative to having an army anyhow, the solution found was close to genial.

Yet, it war, too, led into dilemmas. First, it could never work as a universal solution, The economic trick was to externalize the subsistence cost for the displaced former peasants to a third foreign party, but two countries cannot mutually rob each other. The solution could always only work for one side, while the loser ought to be enslaved or the like. The loser would obviously dislike the situation, seek to free himself, and, in fact, aspire to become the oppressor himself. People in two neighboring countries can well live peacefully alongside each other if they both have land, work

it, and engage in exchange. If the people within the two countries, have, however, partially mutually displaced each other from their land, and they seek a subsistence for the displaced group by subjugating a foreign country, this can only work for one side and will never be stable. Second, the displaced former peasants who conquer foreign tribes or countries, police and control them, throw down upheavals and organize the transports to the homeland, become a *lasting mass-reality as such*. From thereon, their very existence forces their home robber states to continuously seek to subjugate other countries, including to find new victims if old ones are exhausted. Prosthetics by warfare are, thus, a standing cause for new wars; they are, as such, *bellogenic* by necessity.¹⁹²

192 Herfried Münkler (Münkler (2017) makes a similar argument with regard to the war of Thirty Years.

