

foreign interests, still dreaming of the good old days and of concessions of one sort or another, equally refuse to lend except on the good old terms. It is hoped that the forthcoming visit of British and American financial experts will lead to a better understanding of the principle of a square

deal and the necessity of Sino-foreign cooperation as a great tonic for the existing world-wide depression.

In the meantime the government must have funds, and the present issue may provide the wherewithal for the various projects on the way to realisation.

## Wang An-shih and China Today

WANG An-shih, a Chinese statesman of the 11th century, is so modern in his economic conception that many of his reforms still have a significance for China today. He was fortunate enough to enjoy the confidence of his emperor and to put his ideas into practice, but he also lived long enough to see most of his reforms abolished by the new prime minister appointed by the Empress Dowager. Though in the centuries that followed his death, there were scholars who recognized his greatness, yet it is the 20th century China that gives him the full credit for his statesmanship. Not only Chiang Chi-chao, the scholar-statesman, painted him a full-length portrait, but General Chiang Kai-shek, a military man and a realistic political leader of present day China also pays a high tribute to him by ordering General Hsiung Shih-hui, governor of Kiangsi, where Wang An-shih was born 9 centuries ago, to institute and encourage the study of his reforms.

This is nothing to be wondered at, for there are certain similarities between the conditions of the Sung dynasty and those of China today. For one thing, China was, then as now, weak and menaced by foreign encroachments. Another similarity between these two periods of Chinese history is the untold suffering of the farmers, who form the backbone of the country and who were bled white by the shrewd traders and money lenders. China's government finances in both the 11th and the 20th centuries, cannot give one too much optimism, and, above all, it takes a realist to appreciate a realist. Many Chinese scholars of old were too much hampered by their traditional political philosophy which is idealistic rather than realistic to be able to appreciate Wang An-shih's reforms in proper light. For instance, Chu Hsi who tried to be as fair to Wang as possible, criticised him for wasting his talent and energy in attempts to improve the national economy and the military machine of the state, instead of leading the emperor, as old Chinese political philosophy demands, along the path of loving kindness, righteousness, morality and virtue and thereby setting the country aright. In the 20th century the old political philosophy has been exploded, and we are in position to appreciate Wang's reforms according to their intrinsic worth.

It would be impossible to give a fair estimate of Wang An-shih's achievements in so short a space. His plans for improving the national economy were both numerous and varied in nature. Best known among this group of reforms were government loans to the farmers from sowing to harvest at 20 per cent interest, as compared with the private loans usually at 100 per cent interest. It may be noted

here that the government loans to the farmers through the farmers' bank are becoming more and more popular today, so much so that the Postal Remittances and Savings Bank is also going into the field. The irrigation and river conservancy works of the Nanking government are not unlike what Wang An-shih undertook for the farmers. Neither is there the least doubt that the farm taxes need radical revision today as in Wang An-shih's time, if the farmers are to be relieved of the almost unbearable burden of taxation. However, General Chiang's recent order for the conscription of labor to speed up national reconstruction runs counter to one of Wang's reforms. Although Wang An-shih tried to do a great deal for the farmers, he did not go as far as Dr. Sun Yat-sen in advocating that the tillers of the ground shall own the farms.

Wang An-shih's attempt at the improvement of national economy did not stop with those having a direct bearing on rural problems. He also tried to turn the government into an export and import house, buying goods where or when they were cheap and transporting them to where, or keeping them till when, they were dear. This was an attempt to save money in buying what government needed, and also to break the monopoly of some of the traders. Due to the strong opposition from both the officialdom and the rich merchants, the plan never had a fair trial. In this aspect, Wang An-shih was quite modern, though he did not go as far as Dr. Sun Yat-sen in advocating government ownership and operation of the key industries. Wang An-shih not only tried to curb the power of the influential merchants, he also tried to help them, should they be in need of help. Any one who could not dispose of his goods on hand might sell them to, or mortgage them with, the government. The recent government loans to the Shanghai manufacturers bear certain resemblance to the government mortgages of Wang An-shih's time.

Wang An-shih's attempts at improving the national strength of defence were three in number. The *paochia* system which served both as mutual guarantee that no members of the community should become lawless elements, and as local militia has already been adopted by order of General Chiang at different places recovered from the communists. The system has proved a success, though in all its essentials, it does not differ from the original as formulated by Wang An-shih 9 centuries ago. His system of keeping the war horses has little value for us today, in view of the necessity of mechanization of the army. Wang An-shih's attempt to strengthen the fighting strength of the army by making the commanders more attached to troops is impractical in view of the present conditions in China. Today our trouble lies in the troops being too much attached

to the commanders. What we need is rather the opposite, that is to make the armies less attached to their commanders so that warlordism, which is a course to contemporary China, may in time be removed.

The above are but some observations of the significance Wang An-shih's reforms have for China in the present age, and the reasons why we devote this special number to a study of this great statesman of yore.

## Wang An-shih And His Time

By LIN YU (林幽)

**I**N contrast with the Latin proverb that about the dead there is nothing but good, the Chinese say that the time to pronounce the last word of a man's character is after his death (蓋棺論定). But of Wang An-shih for centuries after his death no one seemed able to give a final appraisal on his achievements. He is one of the historical figures, if not the figure, about whom people have held most widely divergent views. Some called him a mean little man, others proclaimed him one of the greatest statesmen China has ever produced. It is not the purpose of this article to settle such a century-old controversy, but to place him in the social background of his time in an effort to give a clearer understanding of the man and the origin of his reforms.

Golden means might have been the axiom of the Chinese in their personal conduct, but in the constitution of the government and the formulation of policies, Chinese history is replete with extremes, trying to escape Scylla only to fall into Charybdis. So it was that the Sung dynasty tried to avoid the pitfall of the Tang dynasty. Tang Tai-Chung boasted that he had won his throne on horseback (馬上得天下) and the constitution of the government in the Tang dynasty partook of a military character. China was divided into "Routes", each route with a military governor ruling supreme. It was these military governors who finally caused the downfall of the Tang dynasty. Sung Tai Chu, coming after the five short dynasties that followed the Tang and himself a general, who fished his throne out of the muddled water of the troublous times, fully realized the danger of such a system and proceeded, quite logically, to relieve his ablest generals of the command of troops, to centralize the picked troops in the capital, so that his descendents might not suffer the fate of the latter emperors of the Tan dynasty. He achieved his object, but he also got something which he did not bargain for. The national defence of the Sung dynasty against foreign aggression was weak. Several attempts at conquering Liao (the Kitans) ended in failure with the result that the government agreed to pay yearly a handsome sum and offer a huge quantity of silk to the Kitans. Also because of the weak national defence, the Hsi Hsia waxed strong and caused a good deal of frontier troubles, which proved another drain upon the national coffer. To make the matter worse, there were the practice of offering sacrifices to the Heaven, Taishan, etc. and the practice of making generous gifts, running into thousands of millions of cash, at each offering of sacrifice. The emoluments to members of the royal house amounting also to thousands of millions of cash each year helped further to exhaust the national treasury. So at the time of Jen Tsung, of the Sung dynasty, when Wang An-shih was serving as a

petty official here and there, the national treasury was all but bankrupt.

Not only were the state finances in a very precarious position, but also the people, especially the farmers, were hardly better off. At the beginning of the Tang dynasty, there was the nationalization of land. The government claiming ownership of the land parcelled out the farms to individual farmers when they became of age, and took back each farm at the death or old age of its tiller. Later this system decayed and private ownership set in. Because of the internecine warfare and troubled conditions, the taxes increased by leaps and bounds. Farmers suffered, while shrewd merchants profited by lending money to the farmers at exorbitant rates. Although the conscription of labor to serve the state was abolished in the Tang dynasty in lieu of a tax levied upon each individual liable to forced labor, yet the forced labor under another name was forced upon the helpless populace in the latter part of Tang dynasty and continued to the time of Sung. The early Sung emperors did nothing to remove such social evils, but were content with merely lessening the heavy taxation of the people, and even this did not prove a lasting thing, as the people were actually groaning under the burden of heavy taxation. In the words of Ssu-ma Kwang: "Once the crops failed, the farmers have to borrow money from the rich at 100 per cent interest [for a period from the sowing time till harvest], if the next harvest were no good, debts will be increased. Before all the taxes are paid, whatever earnings they had are gone, before the grains leave the field, and before the cloths leave the loom, they all already belong to others. They feed upon the bran and have not enough, they wear the coarsest materials and can hardly cover their whole bodies. All this, simply because they have been tilling the ground for generations, and do not know of any other way of making a living, do they stick to the farms."

Things were certainly desperate, and something had to be done to save the situation, lest the people and the government should both go bankrupt. Such was the situation when the new emperor, Shen Tsung, ascended the throne, and such was the situation that Wang An-shih was called upon to save in the capacity of a prime minister.

In order to assist the agricultural population, Wang An-shih instituted several innovations for the government. Chief among them were loans made to the farmers from the time of sowing to harvest at 20 per cent interest, making the government buy the surplus agricultural products to keep the price up at the time of abundance and sell them at the time of scarcity to keep the price down, and turning the government, in a measure, into