Discovering Economic History in Footnotes: the Story of Tŏng Tàishēng Merchant Archive (1790-1850) and the Historiography of Modern China

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Abstract

The Tong Taisheng (统泰升) merchant account books in the Ninjing county of Northern China in 1800-1850 is the most complete and integrated surviving archive of a family business. It contains unusually detailed and high-quality statistics on exchange rates, commodity prices and other information. Utilized once in the 1950s, the archive has been left largely untouched until our recent, almost accidental rediscovery. Tracing the personal history of the original owner and donor, we show that the nature of evidence and records of economic statistics of China’s early 19th century, - indeed - of the entire early modern era – have been profoundly impacted by the development of political ideology and consequently of academic discipline in modern and contemporary China. Our article discusses the important historiographical and epistemological issue in interpreting surviving historical statistics which have been largely neglected in the current Great Divergence debate.

JEL Codes: N8, B4

Keywords: historical archives, Chinese historiography, modernization.

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The recent Great Divergence debate spurred by the provocative claim that living standards in 18th century China – at least in the advanced region of the Lower Yangzi – may be comparable to Northwestern Europe as late as the 18th century has promoted a flurry of new research, re-examining China’s price and wage history in comparative perspective. The debate, however, has also brought to the fore serious deficiencies in surviving Chinese historical statistics. Reviewing the existing evidences, Allen et al (2011) points out that: “on the Chinese side, the claims of a higher living standard in 18th century China relied largely on indirect comparisons based on scattered output, consumption, or demographic data. In contrast, the literature on real incomes in Europe is broad and deep because since the mid-19th century scholars have been compiling databases of wages and prices for European cities from the late middle ages into the nineteenth century.” (p. 9). Indeed, good quality data for constructing basic Chinese economic statistics such as price indices or wages at the regional or national level for the 18-19th centuries remains wanting.

The nature of Chinese historical statistics itself raises a critical question germane to the core of the debate: could the paucity of statistics itself be a result of poor record keeping in historical China – which itself may be a reflection of the nature of her economy and society – or more a reflection of the poor state of academic scholarship and archival collection in China’s subsequent tumultuous modern history? Can one surmise that the richly endowed Western historical statistics preserved from former times are themselves testimonials to the high level of economic development or even rationality in the West historically? The argument can be echoed by the existence of far richer statistical records for territories colonized by Europe (or even by Japan in the case of Korea and Taiwan in the early 20th

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1 For Chinese names cited in the text and references, we follow the Chinese convention of surname name first and first name last.

2 See Pomeranz 2000 for the claim of a high living standard in the Lower Yangzi. For comparative studies on wages and prices, see Broadberry and Gupta 2006, Allen et al 2011.

3 The only reliable benchmark national level Chinese GDP is for the early 1930s, see Ma 2008. For a comprehensive review of Chinese primary source including statistical materials, see Wilkinson 2000.
century) than those untouched by colonization.⁴

While much of current Global Divergence debate on why the Industrial Revolution took off in Britain but not in China hinges on the availability and quality of historical statistics, it is surprising that the epistemological and historiographical dimension of data issues has so far received sparing attention. In this article, we illustrate this thesis through our unique encounter – during the last seven years of our research - with the merchant account books of Tong Taisheng 统泰升 (referred to as TTS hereafter) and our rediscovery of the original owner or donor. The TTS archive – consisting of over 400 volumes for a single store - contains detailed records of actual market transactions not just in grain but mostly non-grain commodities and also includes local copper cash/silver exchange rates from a largely unknown Northern Chinese village township in 1800-1850 – a period before China’s forced opening to the West. The TTS record has been used once by a group of eminent Chinese economic historians in the 1950s but lied largely incognito since.

This article represents the first of our series of systematic efforts to reconstruct, both thorough statistics and a historical narrative, the history of the TTS archive, the TTS firm, Ninjing county and the larger Northern Chinese economy on the eve of the Opium War. The history of the TTS archive and the story of the individuals involved is itself a miniature history of modern China, of tradition-bound elites and new generation of modern intellectuals getting caught up and muddling through one and half century of ideological and political vicissitudes. As we will see, behind the tangles between the man and his archive, between knowledge and the nature of evidence emerges a large epistemological question on the nature of historical evidence and statistical records on Chinese economic history.

I. The TTS Archive

In a widely used statistical manual for Chinese economic history compiled in 1955 by Professor Yan Zhongping and ten other eminent economic historians, two tables (Tables 30 and 31 on pp. 37-38) and a figure (p. 39) are included that provide relatively continuous annual series of copper cash/silver exchange rates and two price indices for agricultural and

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⁴ See Mizoguchi and Umemura 1988 for Japanese colonial statistics of Taiwan and Korea.
These three pages of highly condensed statistical series stand out as a glaring anomaly in the dark alley of Chinese historical statistics. Despite the brevity of the explanation, they have not escaped the attention of researchers: the Ninjing series appeared frequently in some of the most influential works on China’s pre modern monetary sector and often served as the key (or only) systematic data series for evaluating China’s balance of payment crisis caused by silver outflow, leading eventually to the fateful Opium War of 1842 – a watershed event in modern Chinese history (See Lin Manhong 2006, Chen Chaonan 1975, Vogel 1987 for the use of the Ninjing series).

Embedded in the footnotes to these two tables are brief explanations of the statistical methodology of constructing the exchange rate series and the number of items included in the construction of these price indices. They also indicated that the original data were extracted from a grocery store called Tong Taisheng, located in the town of Daliu of Ninjing county in the Northern part of Zhili province (roughly corresponding to today’s Hebei province). The footnotes mentioned the original TTS archives were housed mostly in the National Library and a small segment in the Institute library of the Chinese Academy of Social Science in Beijing. In 2005, we keyed in – just on the offchance - the TTS merchant accounts in the online catalogue of the National Library in Beijing and, to our complete disbelief, the title just popped up on the screen. Eventually, our archival compilation in both the National Library and Institute library of the Chinese Academy of Social Science have turned up 437 volumes of these account books for the period of 1798-1850. Table 1 provides a breakdown of all the volumes by decade.

The account books reveal TTS to be a local retail grocery store selling a large variety of dry goods including rice, iron tools, paper, cloth, cord pieces, pigment and daily necessities like oil, vinegar sauce, wine, grains and so on. We can broadly classify the TTS account books into three categories according to their contents and functions. The first is the Original account book of the sales counter, mainly journals or day books 流水账 kept by shop assistants to record transactions of cash and goods in copper cash and silver. This occupies a large portion of TTS account books. The second type of account is known as the ‘posted
account book’ such as the “general trade ledger” 交易总账, which were recorded according to the name of a business house or a customer respectively. The final category includes various miscellaneous account books, which cover temporary dealings and transactions, accounts of loans, land purchases, income from interest on loans etc.\(^5\)

Table 1, The Existing volumes of Tong Taishen Merchant Accounts by decade

<table>
<thead>
<tr>
<th>Decades</th>
<th>Total Volumes</th>
<th>Annual Average</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1798-1810</td>
<td>67</td>
<td>5.2</td>
<td>Only 2 volumes for 1798</td>
</tr>
<tr>
<td>1811-1820</td>
<td>54</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>1821-1830</td>
<td>85</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td>1831-1840</td>
<td>104</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>1841-1850</td>
<td>100</td>
<td>10</td>
<td>20 volumes for year 1844 only</td>
</tr>
<tr>
<td>unclear</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>437</td>
<td>8.2</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Except for five volumes archived at the Institute of Economic Research of Chinese Academy of Social Science, the rest are in the National Library in Beijing.

Our efforts reveal that both the detail and quality of the data are staggering for a micro-data set for Chinese economic history. As an illustration, using only 17 journals books of silver accounts, we can already accumulate over 11 thousand data points of copper-silver exchange rates with transaction dates, individual volumes, five and six different types of silver used, loans and interest rates and names of clients all in daily frequency (See Ma and Yuan, research in progress). There are also detailed prices of about 40 or 50 types of commodities with similar degrees of detail. We are confident that careful research based on a systematic exploitation of this rich and high-quality data set could offer new insights on critical debates on Chinese economic history and global history. For example, the relatively complete and integrated nature of the TTS account allows an in-depth, primary source based study of the pre-modern Chinese accounting system (see Yuan, Macve and Ma 2013). The consistent and high quality time series of copper-silver exchange rates that can be reconstructed from the TTS can offer important clues to our understanding of the traditional Chinese monetary system and the impact of opium trade and the silver outflow on the

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\(^5\) The details of the accounts are presented in Yuan, Macve and Ma 2013 and also Yuan and Ma 2010.
Chinese economy during this period. Finally, the systematic information on the volumes and frequencies of transactions at annual, monthly and daily frequencies can for the first time quantify the landmark study on traditional Chinese marketing structure by William Skinner (1964).

It is notable that economic statistics culled from family business archives - despite their understandable limitations in terms of representation – have superb qualities unmatched by the more commonly used government or public statistics, which are notorious for either deliberate manipulation fabrication (for taxation and other purposes) or bureaucratic negligence. Statistics recorded for private family archives tended to be far more accurate and truthful – something critical for profit and revenue calculation - and also reflected true conditions of the market. But the significance of the TTS archive goes beyond mere economic statistics. As the complete set of account books were recorded before China’s forced opening to the West in the mid-19th century, the entire TTS archives are in traditional Chinese format with string-bound Chinese paper, hand-written (with ink brush pens) in classical Chinese in vertical format. With traditional numerical codes and indigenous Chinese accounting system, transcribing and interpreting the account book material requires specialized learning and expertise on the part of researchers. But this also carries the added benefit of forcing the researchers to confront head-on the internal logic and mechanism underlying the pre-modern Chinese market, business organization, monetary system, accounting methods or even social customs. It bestows upon us a rare opportunity to study China on its own term or what Paul Cohen famously declared to “discover history in China”, purged of the possible Eurocentric or “colonial” bias in area studies derived from Western language-based source materials or modern (or Western) conceptual framework (Cohen 1984).

Clearly, the original study by Yan Zhongping et al, a critically important one on its own right, only utilized a tiny fraction of the data sets and divulged little information about the nature of this archive. This only raises more questions. Where does this archive come from?

6 See Brand, Ma and Rawski 2014 on problems with official data in Imperial China. The widely influential studies on grain market integration in Qing China by Shiue and Keller 2007 and others are solely based on grain prices reported in government record rather than actual prices used in the wholesale or retail markets.

7 See Yuan, Macve and Ma (2013) for details on the account books.
Why was this record preserved in such an exceptionally good and well-ordered condition? Who was the owner of this archive? Why did Yan et al never mention him? How did a pile of archives mentioned in some footnotes in 1955 survive decades of political turmoil in Mao’s era?

II. The Re-discovery

In April, 2008, we visited the Ningjing county and the towns of Daliu, Changwan and Chaihu. Dà Liŭ Zhèn 大柳镇 where the TTS firm was located was a small market town in the Ningjīn County, 宁津县, currently a county of the Prefecture Dézhōu Shì 德州市 in Shāndōng Province. It was about 240 kilometers south of Bēijīng, close to the border of Héběi Province east of the historical Grand Canal. With the massive building of rural highway infrastructure during the past two decades, commercial activities in these towns have largely shifted out of the traditional town center, called the “old street” 老街 in Da Liu towards a spattering of stores and restaurants along a rural highway, modern, dusty and homogenous. What remained alongside the original “old street” were clusters of residences interspersed with a few shops, postal offices and governmental buildings built or rebuilt largely during the Mao era. For the few locals with whom we conversed, the “old street” evoked tales of the 1950s rather than the 1850s. Our visit to the Ningjing county archival office turned up nothing on TTS.

We located the Ningjing county gazette that dated back to the reigns of Qing Kangxi (1661-1722) and Guangxu (1875-1908). The gazette reports Da Liu town as holding periodic markets (集场) on every 2nd and 7th of the month, in addition to a Temple festival (庙会) every September. Yan et al (1955) noted that over ten branch stores of TTS spread across a couple of nearby market towns such as Changwan (长湾), Chaihu (柴胡), each within about a 10 kilometres radius of Da Liu. Based on our estimates from the account books, the annual average volume of transactions at TTS would rank in the category of medium sized business as classified by Xu Tan for average size of merchant firms in Shangdong province during 18-19th centuries. In Xu’s classification of large, medium and small scale businesses, the

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medium were the most numerous ranging from 35% in the reigns of Jiaqing (1796-1820) to 57% of the total number of firms in Daoguang (1821-1850) (Xu 1998, pp. 186-187). For anybody familiar with the landmark study on Chinese rural markets by William Skinner (1977), Da Liu town and the TTS firm are almost a postcard illustration of the standard market towns across Northern China during the Qing. They appear among the tens of thousands of mercantile stores and market towns across 19th century China, modest, inconspicuous and undistinguished.

Just as we thought we had got to the end of the thread on this archive, a completely unrelated browse through a book titled *History of Retail Business in Modern Shanghai* (1988) took us on an entirely unexpected and opportune turn. On page 10 of this book, a footnote (yes, another footnote) mentioned a TTS grocery store located in Daliu of Ningjing county. It cited a newspaper report published in the *Central Daily* 中央日报 on August 13th of 1936 by Wei Zheyin 魏泽瀛, which discussed the traditional Chinese accounting system based on the TTS merchant account book. The Wei article cites another article by Wàn, Sīnián 万斯年 published in *Ta Kung Pao* 大公报, Supplement (Books) on August 8th of 1935. Wan (1935) offers the following critical passage on the source of this archive:

“While the Peiping (i.e. Beijing) library (today’s National Library of China) had long intended to collect the account book materials, it was prevented from doing so due to its busy engagement in other priorities. Last winter, suddenly the Library received a letter from Mr. Róng Mènyuán 荣孟源 from Dàliù Town, Ningjin County. Mr. Róng indicated his willingness to offer his collection of old account books to the Library, which we very much welcome. Mr. Róng noted these account books had information on rural economy and commodity prices. He did not ask for any remuneration except for the shipping cost from Ningjin to Peiping. We are of course grateful to such a hearty donation.

It is reported that the account books arrived in a rather messy condition in two boxes. After a rough compilation by Mr. Jínhé Zhào 赵静和, we arrive at a total of 145 volumes for the reign of Jiāqìng (1796-1820], and 323 volumes for the reign of Dàoguāng [1821-1850]. The earliest volume dates back to the 3rd Year of Jiāqìng (1798), and the final volume goes to the 30th Year of Dàoguāng (1850), covering a span of more than fifty years. Dating back to more than 130 years from now, these account books are indeed a rare find.”

While most descriptions in both Wei (1936) and Wan (1935) matched with what we have
been able to find independently in the extant TTS account books, Wan’s tally of all the volumes added up to a total of 475 volumes, more than the 437 volumes we have been able to locate so far. On the donation of the TTS account, Wei (1936) made the interesting remark that “…. after the Rong family business declined since the reign of Tongzhi (1862-1875), these account books covering several decades would have looked like a pile of waste papers to laymen or just good materials for wallpaper.” Yet alas, continued Wei, “thanks to the conservative and “nostalgic” nature of our people, remarkably, this set of account books was preserved within the Rong family.”

III. The Man behind the Archive

The key man mentioned above, Rong Mengyuan (1913-1985), as it turned out, was no average donor. In the PRC era, Rong was an eminent historian on modern China and an authority on historical archives of the Qing and Republican period. He was the author of more than 70 journal articles, and multiple volumes of works on archival materials of major political events such as the Taiping and Boxer Rebellions, as well as the 1911 Revolution. He was also the founding editor of the Journal “Archives on Modern History” (近代史资料) that published continuously from 1954.

Rong was survived by four children. On May 3rd of 2012, we interviewed his son, Rong Weimu 荣维木, the only one among his children to succeed the profession of the elder Rong. Rong Weimu is currently a senior researcher at the same Modern History Institute and also serves as one of the editors of - “Archives on Modern History” - , the Journal founded by his father. We also tracked down the Rong Genealogy last published in 1903 (archived in Nankai University in Tianjin). Based on these and other materials, we are able to piece together the profile of the Rong lineage in Ningjin county, and the man and the history behind the archive.

The Rong Genealogy last printed in 1903 was the culmination of six previous editions, tracing the lineage back to as many as 16 generations over a span of 491 years. The previous editions or updates of the Genealogy were in 1894 (by the 16th generation), 1880 (14th generation), 1813 (no indication of generation), 1771 (10th generation), 1756 (9th generation),
1745 (8th generation), 1717 and 1719 (8th generation). The Rong family first migrated from Zhu Cheng (also in Shandong province) to Da Liu in Ningjin county in 1404 during the early Ming dynasty. Starting as farmers, the lineage, through diligence and thrift, amassed a certain amount of wealth and began to engage in a money lending business as well as some charity activities in the local town by the third generation (possibly during the 17th century). By its sixth generation (about the early 18th century), the Rongs claimed to have accumulated over 300 mu of land. But by then, the Rong family wealth took a hard blow and was nearly depleted in a series of bitter legal disputes, over financial matters, with another lineage by the name of Yin. The seventh and eighth generation managed a comeback rebuilding the family wealth through trade activities. In particular, a member of the eighth generation (1673 – 1740) “trudged through the muddy trading routes” and contributed to the revival of family prosperity. Like generations of successful merchant lineages all over China and perhaps also drawing lessons from their disastrous legal disputes, the Rongs turned to investment in the education of their offspring to enter the highly competitive ranks of the Civil Service Examination System, a critical step up the ladder in the Chinese political and social hierarchy. The efforts seemed to pay off as the genealogy reported steady progress with members attaining low level degree of Shengyuan and from the ninth generation on, recording successive entries in the ranks of the official examination system. Meanwhile, family wealth and business clearly stabilized with the rise in social and political status secured by these examination achievements. Moving into the 19th century – the period recorded in the TTS account – the Rong lineage wealth may have peaked with the 12th and 13th generations adding newly purchased land of 800 and 300 mu to the family wealth. The Rongs were clearly the elite of the town as a member of the 13th generation was the trusted person in town who would be called upon to mediate and resolve village disputes.

Contravening the comment made by Wei (1936), the prosperity of the Rongs actually

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9 All years were converted to Western calendar from original imperial calendars with corresponding years: Guangxu 20, Guangxu 6, Jiaqing 18, Qianlong 36, Qianlong 21, Qianlong 10, Kangxi 56 and 58.

10 A mu was traditional Chinese land measure roughly equivalent to 0.16 acres.

11 There are three levels of examination degrees starting from Shengyuan, to Juren and Jinshi. For the important role of the Chinese Civil Service Examination system in traditional China, see Ho 1962.
seems to have continued beyond the mid-19th century, the period in which the extant TTS archive comes to an end. In fact, during the Qing Guangxu reign (1875 – 1908), members of the 14th and 16th generation attained the much higher degrees of Juren and Jinshi within China’s examination rank. These may be signs that the Rongs were starting to gain a foothold in the higher echelons of the Late Qing political hierarchy as attested to by a marriage liaison with a member of the lineage of Zhang Zhidong 張之洞 (1837-1909), one of China’s most powerful officials of the era. Our interview with Rong Weimu also confirmed that the Rongs in the early 20th century were still reasonably prosperous, allegedly owning nearly half of the houses in the local Daliu town. Besides the retail business, they also operated a few cottage workshops in flour milling, vinegar processing, textile handicraft and so on. The family also managed some agricultural cultivation largely based on the use of long and short-term laborers.

Like millions of Chinese elites in traditional China, the Rongs’ route to wealth and power was secured through generations of mercantile thrift and land acquisition legitimized through their entries into the National Civil Service Examination. But from the second half of the 19th century, the world that the Rong lineage had thrived in for 14-16 generations was slowly falling apart, triggered initially by the country’s forced opening after the mid-19th century Opium War. In 1894, the year the penultimate edition of the Rong Genealogy was printed, the Qing entered into a disastrous naval defeat against a newly rising modern Japan. And two years after the final 1903 edition of the Rong Genealogy was compiled, the Civil Service Examination itself was once and for all abolished by the late-Qing Constitutional Reform.

Rong Mengyuan was born two years before the fall of the Qing dynasty in 1911. He received education in a traditional private school 私塾 but also enrolled in one of the new style secondary schools that emerged following the 1905 abolition of the Civil Service Examination in 1905. In 1931, Rong went to Beijing to study in a graduate program in Chinese history headed by Lu Zhengyu 吕振羽, a prominent Marxist historian teaching in

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12 Based on the Rong Genealogy and also our oral interview with Mr. Rong Weimu.

13 For Chinese elite strategies in traditional China, see the edited volume by Escherick and Rankin (1990). For the importance of political status and Civil Service Examination in Imperial China, see Brandt, Ma and Rawski (2014).
Zhongguo University. It was probably there that Rong Mengyuan directly participated in Communist activities. Due to health reasons, Rong soon had to prematurely quit the graduate program and return to Ninjing for recuperation. Following Japan’s full scale invasion of Chinese Manchuria in 1932, Rong joined the anti-imperialist and anti-Japanese campaign and shuttled between Ninjing and Beijing. We can see that it was during this period that he donated the TTS archive to Academic Sinica in 1935.

Rong Mengyuan’s personal ventures to 1930s Beijing brought him into close contact with the rising ideology of modernization during China’s New Cultural movement. Statistical and social surveys pioneered initially by Western sociologists based in China were increasingly viewed as powerful tools of social engineering and Chinese modernization. In particular, Sydney Gamble – an American sociologist based in Yenching University in Beijing - and his Chinese colleagues pioneered the use of private merchant account archives to extract economic information about China’s past (Meng and Gamble 1926, Gamble 1942). In this regard, the preservation and utilization of TTS archive is no accident as the men whose hands had touched the archive, - Rong Mengyuan, Wei Zeyin, and Yan Zhong Ping – belonged to a generation of modern scholars who recognized the value of private merchant archives beyond mere personal and familial nostalgia.

In 1936, Rong Mengyuan re-emerged to join the Communist Party and two years later travelled to Mao’s Communist base in Yan-an in Shaanxi province. There Rong became a teacher in the High School which was later to become the Yan-An University. But according to Rong Weimu, this is also where Rong Mengyuan’s political trouble started as he got himself entangled in a bitter dispute over the appropriation of a cave dwelling by Gao Gang 高岗 who was by then a very powerful Communist leader. The eventual intervention of Mao himself worked against Rong as he was

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14 In an article commemorating Lu, Rong fondly recalled his encounter with his Marxist historian mentor, see Rong 1983.


16 Gamble (1943) utilized what seemed a large collection of merchant account books of a fuel store near Beijing roughly for the period of 1790-1850, almost identical to that of TTS account. Unfortunately, the existence and location of the original accounts remain unknown. See discussion in Allen et al 2012.
stripped of his Party membership in 1941 which essentially doomed his political career.\textsuperscript{17} Rong Mengyuan’s flirtation with the newly rising political elites turns out to be far more hazardous and ominous than his predecessors in pre-modern China. Rong Weimu, his son, believed that his father’s subsequent focus on the historical archive may have been a career strategy given that the simple compilation and presentation of “archival texts” without analysis is relatively “factual” and less political.

The founding of PRC in 1949 brought a new political era and initially gave Mr. Rong Mengyuan, the archivist, the promise of an intellectual career. He began to work tirelessly assisting Fan Wenlan 范文澜, then China’s designated official Marxist historian, on the archival aspects of a new Marxist Chinese history textbook.\textsuperscript{18} All of this only deepens the mystery: how did one of China’s most eminent archivists remain anonymous from a set of his family accounts that he himself had earnestly offered up in the 1930s? For that, we turn to the introduction of Marxist historiography and Historical Materialism to China in the early 20\textsuperscript{th} century and its eventual enshrinement in the PRC.

IV. The Anonymity

Although the introduction of Communist as a political movement in China were intricately linked to the Soviet Union and Communist International based in Moscow, the Marxist framework of modes of production and stages of social development used as an intellectual scheme to classify Chinese history into stages progressing from primitive, to slavery, feudalism and capitalism in the generated vigorous and sometimes ferocious debates within China. They engulfed academics and scholars of different camps and persuasions ranging from the orthodox Marxist historians such as Chen Duxiu 陈独秀, Guo Muruo 郭沫若, Lu Zhengyu to China’s foremost liberal intellectuals like Hu Shi 胡适 and neo-Confucian scholars such as Liang Shuming 梁漱溟 (see Feng 2006).

In 1939, from his Communist guerrilla base in Yan-an of Shanxi province, Mao Zedong himself weighed in with what was later to become the defining remark that “China’s feudal

\textsuperscript{17} As is well-know, Gao Gang himself became the victim of the first wave of Communist purges in the early 1950s.

\textsuperscript{18} For the rise of Fan Wenlan and his personal connection with Mao Zedong, see Li Huaiyin (2013), especially chapter 3.
society .... carried within itself the seeds of capitalism, and China would of herself have developed slowly into capitalism even without the impact of foreign capitalism.” Following
the founding of PRC and rise of Mao as China’s supreme leader, his 1939 statement became enshrined and sparked the so-called “sprouts of capitalism” debate in the early 1950s that
aimed to unveil the existence of those seeds or “sprouts”. 19 But soon with the regime turning increasingly totalitarian, the dogmatic version of the Marxist Historical Materialism supplied
the ideological fodder for political and intellectual repression. The relations of production as
expressed in the Marxist stages of social development were transformed into a form of
identity politics and class warfare that distinguished between the oppressors and the
oppressed, the exploiters and the exploited – with the latter represented by proletariat, the
workers and peasants and the former by capitalists, the merchants and landlords. The political
movement to classify the population according to their “birth origin” often traced far back
into their ancestry laid the ideological foundation for massive political persecution such as
the anti-rightist campaign in the 1950s and the Cultural Revolution in 1966-1976. 20

These may explain Rong’s seeming reticence concerning his family merchant account
archive given the political environment and given that his father was, on the record, classified
as a “landlord”. 21 Rong himself never seems to have mentioned the TTS archive once in his
own voluminous works. Neither was his family, according to Rong Weimu, aware of the TTS
archive or the Rong Genealogy. We know Rong Mengyuan himself was acutely aware of and
in tune with the “birth origin” politics in the 1950s. With a bit of irony, in an article originally
published in 1955, Rong deployed the birth origin rhetoric against his academic mentor’s old
foe, Hu Shi:

19 Mao’s statement is in his article titled “Chinese revolution and Chinese Community Party” written originally in 1939. See
Mao 1961/65, p. 309. Mao’s original 1939 statement did not have the wording of “seeds of capitalism”. It was added later by
Fan Wenlan and others in the early 1950s with Mao’s approval. See Feng 2006 and He 2010 for a recent summary of the
stages and “sprouts of capitalism” debate.

20 For an in-depth examination into the brutality of class warfare in the 1950s, see the recent work By Frank Dikotter 2013.

21 According to Rong Weimu, Rong Mengyuan’s father, Rong Xinhuan 荣星桓, became a sympathizer to the Communist
cause in the early 20th century and sheltered the Eighth Route Army, a branch of the Communist guerrilla force. After the
Communist takeover, Mr. Rong Xinhuan was classified as a “landlord” in the PRC era. In a reversal of fortune, the long-term
labourer who once worked for the Rong family became a party official with a glorious 32 years Communist party
membership. But in the new China, the labourer looked after the elderly Rong Xinhuan, apparently to repay the past kind
deeds of his former landlord in the old days.
“How much land did Hu Shi’s family own? He himself did not explain, but he did say that every autumn, he will follow his grandmother to the field to supervise harvesting by tenants. Hence, his family indeed is that of a landlord…”

“Hu Shi’s family has three stores (as far as I know)… Judging from his snobbish attitude of late, mercantile ideas must have had a large influence on him… Hu Shi clearly inherited the tradition of a bureaucratic-landlord-merchant family.” (Rong 1955/1983 p. 371)

Rong’s invocation of Hu’s “birth origin” in intellectual debates was beyond ironic as only two years later, he was dealt the same tactics during the infamous 1957 anti-Rightist campaign. An article published in the People’s Daily (August 14th 1957), the Chinese Communist Party’s official mouth piece, denounced the then disgraced “Rightist”, Rong Mengyuan:

“Rong Mengyuan’s anti-party activities had been consistent throughout. Born in a landlord family, he joined the (Communist) revolutionary cause in 1932, only to betray it in a critical juncture… By concealing his personal counter-revolutionary history, he sneaked back into the Party… He continued with his anti-Party activities in Yan-an in 1941 … only to be expelled…. By the end of 1953, the Party criticized his factionalist anti-party activities within the Research Institute… But in the end, it was to no avail as Mr. Rong remained an inveterate anti-revolutionary and should be condemned as a crook in the history profession.” (italics added by the authors)

It is striking to see that Rong Mengyuan’s brief respite back to his hometown of Ninjing in 1932-35 (due to health reasons according to our interview with Rong Weimiu) – during which he donated the TTS archive to Beijing – was now trumped up as his “betrayal” of the party “in a critical juncture.” Perhaps the biggest irony is that amongst the accusations this article levelled against Rong Mengyuan is his stance on the relative “objectivity” in the direct quotation of original archival materials to the often subjective and interpretative commentary on historical materials with no direct presentation (People’s Daily August 14th 1957). In the end, Rong’s one time strategy to seek safe haven in the relative “neutrality” of archival material became his original sin.

It is unclear whether Yan et al’s omission of any mention of the Rong origin of the TTS account is either a rational survival strategy or sheer neglect. Although we may never find out the truth directly as none of the eleven authors in the Yan et al statistics volume currently
survive, we are inclined to believe the former scenario is closer to the truth given the political atmosphere of the period and given that there is strong evidence that Yan Zhongping himself or members the group were well-aware of Rong and his connection to the TTS archive.22 We have no doubt that “identity” politics certainly remained foremost in the minds of the authors involved in the Yan et al team project on the 1955 statistical volume. In a summary report published by Yan Zhongping in 1956 in “Economic Research” – China’s major economic journal - to recount the experience of compiling the statistical volume. Even though no mention is made of specific archives such as TTS, it provided a comprehensive summary of the motivation and processes behind Yan et al’s team project on historical statistics. There, you can already detect the increasingly political tension between the identity of the owner or producer of statistics and the nature of the statistics themselves. Yan remarked that:

“…during the 1920s and 30s, many Chinese bourgeoisie scholars had compiled various economic surveys and historical statistics. Although their works deserve to be utilized, we should take note that these materials, even those that were not deliberately distorting facts, were usually so full of bourgeoisie concepts that historical truth (in the material) became muddled.”

Apparently, the problem becomes even more serious if these statistics were compiled by “foreign imperialists” as Yan made clear in his defence of the use of Western language material:

“Amongst our comrades, a minority of them believed that since foreign language material was produced by Imperialists, they cannot be reliable and should not be accepted as these Imperialists were speaking from the stance of aggressors. They should not be used even when no comparable Chinese records existed. This view, however, is narrow-minded. While duly recognizing the aggressive nature of the Imperialists, they may still inadvertently divulge their criminal deeds,”23

22 Yan Zhongping started working for the Social Science Research Institute of Academic Sinica in 1936, at the same year as Wei Zheyin, who was there as well. We find a research summary report published by Academic Sinica in 1936, which listed research on TTS merchant accounts as one of their forthcoming projects, see Academic Sinica (1936). Also, in the 1950s, the Modern History Institute of Academic Sinica, where Rong Mengyuan had long been associated, and the Institute of Economic Research where the Yan et al research group were based, are both subordinate institutions of the Chinese Academy of Social Science (CASS), which was partially successor to the Academic Sinica of pre-Communist China.

23 It is also interesting to note that Yan actually went to UK in 1947 on a scholarship for three years, where he systematically collected a large amount of English language materials related to the Opium War. In 1950, Yan returned to the new China with all these materials but was only able to make limited use of them.
Yan’s seemingly comic defence of the use of non-Chinese language sources were actually no laughing matter then. They were the flicker of sanity on the eve of China’s maddening decent into the abyss of the Great Leap Forward leading to the losses of tens of millions of lives the ensuing Great Leap Famine of 1959-61 when statistics could simply be concocted or fabricated.

In this regard, Rong’s anonymity and Yan et al’s reticence turned out to be a blessing in disguise. While the TTS archive languished in anonymity for the next three decades, Rong himself - despite being labeled an outright “Rightist” – and his family, according to Rong Weimu, managed to lie low and get through with relatively mild phases of persecutions. By the late 1960s, Yan Zhongping himself, like millions of other intellectuals, was banished to the countryside for “reform” education. Yan was said to have maintained his research activities but his focus switched from the 19-20th century China towards to the 15th century European colonization of South America. It was, as he later recalled, a survival strategy with the belief that the further you go back in history and the farther you move away from China in space, the lesser the political risk to the research.24

V. The Reversal

The era of Deng Xiaoping the late 1970s heralded in a gradual but decisive shift away from Maoist radicalism and curiously, towards a reversion to the “modernization” framework which originated in China’s early 20th century. The more relaxed intellectual setting of the 1980s revived a less politicized and more academic version of the decades old “sprouts of capitalism” debate into a Chinese precursor the global “Great Divergence” debate.25 From the late 1970s, both Rong Mengyuan and Yan Zhongping re-emerged from their intellectual exile. Rong quickly re-established himself as an authority on Chinese historical archives with a prolific publication record. Similarly, Yan Zhongping re-emerged as China’s leading figure of Chinese economic history during the 1980s along with members of the original Yan et al

24 Information based on http://www.baike.com/wiki/%E4%B8%A5%E4%B8%AD%E5%B9%B3 accessed Sept. 13th 2013.

25 For the revival of “modernization” framework in Chinese economic history in the 1980s, see Huaiyin Li (2013). For the linkage between sprouts of capitalism and Great Divergence, see Li Bozhong 2002, chapters 1 and 2, He Xiaoming (2010). Also, see Ma 2004.
team re-energized by the lively “sprouts of capitalism” debate (see Jin Junjian 2009).

The new Deng Xiaoping regime also sought to re-embrace the once denigrated and persecuted capitalists, “exploiters” and “oppressors”. Nothing dramatizes the irony more than the personal reversal of fortune of Rong Mengyuan’s distant relative, the illustrious Rong brothers, China’s legendary industrial tycoons in pre-Communist Shanghai. The Shandong origin of the Rong Mengyuan lineage may have linked them to the Rong brothers whose lineages could be traced back to Jining 济宁 of Shandong province. The lineage of the Rong brothers had migrated to Wuxi of Jiangshu province in ancient times. From the end of the 19th century, the Wuxi Rong brothers moved to the then treaty port of Shanghai and built a formidable industrial conglomerate, hailed as the “King” of cotton and flour, the symbol of modern Chinese industrial entrepreneurship. After two decades of laying low as a denigrated former capitalist, Rong Yiren 荣毅仁, the son of the younger Rong brothers, re-emerged from the 1980s as China’s new patriot entrepreneur and rose to the political rank of Vice President of the nation (1993-1998).26

This sharp ideological switch from Mao’s “to be poor is glorious” to Deng’s “to get rich is glorious” also led to an explosion of renewed interest in Chinese indigenous commercial tradition. Suddenly, those once prominent but largely forgotten native based merchant groups such as Hui Merchants (in Huizhou, Anhui province) and Shanxi Bankers (Shanxi origin) in the early modern era morphed into new legends and towering symbol of indigenous Chinese entrepreneurship, lionized in pop culture, TV drama series and etc. This led to a serious resurgence of academic interest in their business archives. The case in point is the massive Shanxi merchant archival volume compiled by Huang Jianhui. It started with a tale that the account book pages of the original account books of China’s first Shanxi banking house, Rishengchuang - now proudly displayed in what is the popular Shanxi bankers museum in the city of Pingyao of Shanxi province – were rescued in 1995 from the wallpaper used in the original site, which had fortunately survived the radical Cultural Revolution era (1966-1976) (Huang, p. 1 of notes to the supplementary second volume 2002). A recent new book based on the extensive collection of Shanxi merchant archival material remarked on the personal

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experience that archival collection involved. The author, Li Jinzhang, a Beijing-based modern investment banker of Shanxi origin recalled that because business accounts were viewed as the records of the rich, the “landlord” or “bourgeoisie” – hence the records of exploitation and oppression in the Mao era – among those that survived, covers were often torn away or the name of the merchant was scratched out from the cover for self-protection. But lately, when the value of these records was rediscovered by academics, a private market emerged with petty merchants collecting and peddling these archives. To maximize the sale values of these volumes, these small-time archival traders would divide a complete set of archives into disparate piles for sale - often inadvertently mixing or mislabeling files in the process (Li 2012, pp. 308-9). Despite the above, these led Li to see the promise of a new economic history, accounting history, business and financial history that can be constructed from these grassroots merchant accounts.27

In the end, it is indeed most curious to see that these swirls of reversals have only left our protagonist behind. Despite years of trials and tribulations, Mr. Rong Mengyuan remained a loyalist to an ideology of a bygone age. His writings during the 1980s continued to be infused with a stridently leftist rhetoric of identity politics. In his 1983 volume, which included a reprint of his 1955 article on Hu Shi, Rong made a point to add a footnote lamenting the attempts by some people to revamp the reputation of Hu Shi as a scholar. How could anyone, asked Rong in 1983, rehabilitate Hu Shi, a running dog of imperialism, feudalism, bureaucratic-capitalism? (pp. 382-3).28 Rong Mengyuan died in 1985 an unwavering believer and a vocal proponent of a version of the ideology that had once silenced him for the previous two decades.

**Conclusion**

From beneath the small-font footnotes emerges an extraordinary living tale of a private merchant archive owned by an ordinary merchant family in 19th century rural China. The

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27 See Li 2012, pp.304-7. Also, see Yuan and Ma 2010 for a summary of some of the new studies based on merchant accounts.

28 Rong Weimu confirmed that the leftist rhetoric in Rong Mengyuan’s writing reflected his true belief rather than rhetoric for the purpose of self-protection, something seen quite common among intellectuals who had survived the Cultural Revolution era.
journey of a pile of traditional archive materials through its initial donation, to subsequent anonymity and our rediscovery divulges a personal story of individuals surviving through contradictions, ironies or even betrayals. It is a tale of a nation caught up in a manifest destiny to confront 19-20th century Western challenges, in the process of which she saw herself turned upside down several times over by the overpowering forces of ideology and politics and her historiographical traditions ruptured, re-joined, and sometimes reinvented. Our case study also affirms the critical contribution of early 20th century pre-Communist intellectual legacy to support fundamental ideological transition from the Maoist radicalism to the new Deng Xiaoping era of economic reform and open-door policy.

Our story offers powerful lessons on the nature and quality of historical evidences – quantitative or otherwise – used in debates such as the Great Divergence. It is likely our knowledge of, and sources of evidence on the past are shaped as much by how posterity studied the past as by the past itself - assuming there existed such an “objective” and “abstract” past. The preservation, compilation, utilization and ultimately the discovery or re-discovery of historical evidences are themselves profoundly dependent on the changing tempo of our research agenda, ideologies and paradigms. Alternatively, what happened in China during the 1950s shapes and reshapes what happened during and before 1850s. Indeed, the visions and theories of history interfered with history.

Large discontinuity and ideological reversals carry real consequences for comparative studies in the current Great Divergence debate. Even in the case of TTS which is “rescued” from anonymity, an entire three decades’ worth of potential research scholarship was lost while the TTS remained largely unexamined, leaving Chinese economic history with a glaring statistical abyss especially with regards to the current Great Divergence debate. Furthermore, the introduction of new Chinese writing scripts and modern numeral and accounting system initiated in the early 20th century New Cultural Movement and massively enforced through the PRC era meant have rendered materials such as traditional merchant account books far less accessible to an average contemporary researcher (apart from the few with the specialized training and expertise).29 All these predispose our reconstruction of the past towards source materials recorded in the more familiar modern or – in the context of

29 See Kaske 2007 for language reform in modern China.
former colonies – “European” and colonial framework. These issues are not restricted to modern China alone, but rather common experiences shared by nations that had experienced abrupt revolutionary transformations - the 18th century French Revolution and 20th century Russian revolution as obvious examples – or massive implementation of modernization framework that saw the creation of not only new ideologies but also new writing scripts such as modern Turkey or Korea.

The peculiar tale of survival of the TTS archive through anonymity – intentional or unintentional – also reveals potential survival bias in the type of archives used to reconstruct our past. In China, the remarkable resurrection of the now famed Hui and Shanxi merchants may have to do with the somewhat accidental preservation and rediscovery of the massive Huizhou and Shanxi merchant archives and the architectures of their villages and towns which survived relatively intact precisely because of their relative anonymity or insignificance as both regions were eclipsed both by the economic modernization of the 20th century and later spared the ravages of political persecution such as the Cultural Revolution. This leads to the somewhat unexpected and paradoxical – may be real - finding that two inland provinces of Anhui and Shanxi - currently laggards in most measures of economic development, commercialization and entrepreneurship - had once boasted China’s most sophisticated and educated merchant communities.30

With the surge of Chinese economic miracles during the past three decades and Chinese economy as alleged to regain her past global supremacy, the historiographical and epistemological issues behind the quality and nature of evidences on China’s past – quantitative or otherwise – are becoming increasingly pertinent or even urgent. In the scholarly scramble and search for the historical origin of China’s miraculous economic growth during the past three decades after prolonged phases of lagging behind, academics,

30 For a vivid illustration of how our knowledge is shaped by archival survival, see the example given by Stephan Schwarzkopf (2012): “Take as example the well-organised and well-funded archive of the J. Walter Thompson advertising agency (JWT), for a while the world’s largest ad agency, at Duke University’s Hartman Centre for Sales, Advertising and Marketing History. Almost all parts of the collections there are searchable to file level, many items have been digitised, and the archive gives generous bursaries to international scholars. The archive is conveniently located on a beautiful university campus in North Carolina, where people play golf ten months of the year. The sheer availability and convenience afforded by the JWT collection feeds into a discourse and a set of historical narratives which privilege American marketing and advertising expertise over that found elsewhere in the world. Put simply, if one only studies existing archival sources which are provided, cared for, sponsored and promoted by American organisations, then the course of global marketing history indeed appears to be dominated by American organisations.” (p.6)
public intellectuals or even politicians worldwide are increasingly eager to embrace any new or grandiose claims about China’s past glory, paying little attention to the quality of evidence and even less to the historiographical context of the evidence.31

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31 We see the rise of East Asian miracles have generated similar revisionist claims of past glories. For Japan, it does not come as a total surprise to see the Tokugawa legacy once bemoaned by the early Meiji reformers quickly gained new glory in a new modern Japan. These claims have stimulated important statistical works for these countries. For Japan, statistical compilation of price and wage data can be found in Mitsui Bunko (ed.) (1989). and Miyamoto, M. (ed.) (1963). For recent studies on prices, interest rates and wages on early modern Korea, see the series of works by Jun and Lewis (2006a, 2006b, 2008).


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