

Chapter VII

Song Foreign Trade: Its Scope and Organization

1. Medieval Commercial Revolution: 8th–13th Centuries

Before going into a detailed description of the scope and nature of Song 宋 foreign trade, it is necessary to look briefly at the major features of “the medieval Chinese commercial revolution” which underlie the advent of the mercantile era in East Asia.¹ After a period of stagnation in the Six Dynasties 六朝, the era which was marked by the Sui 隋 and Tang 唐, the Song 宋 periods, extending roughly from the eighth to thirteenth century, was by contrast, a time of economic growth.

Improvement in the official transportation system, which facilitated the movement of taxes, officials, troops, and documents, contributed greatly to the integration and maintenance of unity.² The most significant effect of this consolidation of the official system was the concomitant improvement and extension of the unofficial transportation network that it brought about, particularly within the areas served by the official system. Contemporaneous with these changes, marked advances were made in the technology of navigation and in the publication of handbooks on tides and currents, as well as in the sphere of land and naval warfare. The quality of maps depicting foreign countries also improved.³ Indeed, the Song and Yuan 元 dynasties were the golden age of Chinese geography and cartography.

Regular and extensive maritime trade between China and Indian Ocean litto-

* This chapter was originally published in *China among equals: The Middle Kingdom and Its Neighbors, 10th–14th Centuries*, ed. Morris Rossabi (Berkeley; Los Angeles; London: University of California Press, 1983), 89–115.

¹ Katō Shigeshi, *Shina keizaishi gaisetsu* [Overview of Chinese economic history] (Tokyo: Kōbundō, 1944), 89–156; Denis Twitchett, “Merchant, trade, and government in late T’ang,” *Asia Major*, n.s., 14.1 (1968): 63–95; Mark Elvin, *The pattern of the Chinese past* (Stanford: Stanford University Press, 1973), 131–178.

² Aoyama Sadao, *Tō-Sō jidai no kōtsū to chishi chizu no kenkyū* (Tokyo: Yoshikawa Kōbunkan, 1963); Elvin, *The pattern of the Chinese past*, 131–145.

³ Joseph Needham, *Science and civilisation in China*, vol. 4, *Physics and physical technology*, part 3, *Civil engineering and nautics* (Cambridge: Cambridge University Press, 1971), 3; Shiba Yoshinobu, *Sōdai shōgyōshi kenkyū* [Studies in the commercial history of the Song period] (Tokyo: Kazama Shobō, 1968), translated by Mark Elvin as *Commerce and society in Sung China* (Ann Arbor: University of Michigan, 1970), 4–14; Elvin, *The pattern of the Chinese past*, 141–145.

rals began in Tang times. Initially, the Arabs took the lead in this trade, but within a few centuries they were overtaken by rivals.⁴ Chinese people thus entered an era of colonial ventures and voyages of discovery. Driven partly by population pressure and its attendant economic, social, and political stresses, and partly by the spirit of adventure and desire for wealth, the Chinese embarked upon their first large-scale maritime emigration. The first permanent Chinese settlements in Southeast Asia were established at this time.⁵

These developments were the first indication of the breakdown of China's time-honored theory of diplomacy. China had been accustomed to foreign relations across a land frontier. While Chinese expansion to the north was limited by geographic factors, there were no such limits south. With the onset of a new epoch in which Chinese vigorously began to move southward by sea, their concept of a self-sufficient Middle Kingdom and diplomacy linked to it gradually came into conflict with the new reality. This is the phase described by J. K. Fairbank as "the eclipse of the tribute system by trade."⁶

The colonization of the plains and hills of the Yangzi valley and the southeast littoral regions considerably enlarged the geographic scope of economic exchange, which was also stimulated by an increase in population and rural productivity. There was an abundance of untapped but accessible natural resources in the south, and exploitation of this new frontier lent a dynamic impulse to the medieval Chinese economy. From the fourth century, when the northwest was beginning to be replaced as the economic center of the nation, there was a steady migra-

⁴ Ibn Battūta, *Voyages d'Ibn Batoutah*, ed. C. Defremery, vol. 4 (Paris: Imprimerie nationale, 1927), 86, 88; Kuwabara Jitsuzō, *Ho Jukō no jiseki—Tō Sō jidai ni okeru Arabujin no Shina tsūshō no gaikyō; kotonī Sōmatsu no teikyo shihaku seiikijin* [General description of the development of Arabian trade in China during the Tang and Song dynasties: Especially the life of Pu Shougeng, commissioner for Arabian trade in the late Song period] (Tokyo: Iwanami Shoten, 1935), 84–97.

⁵ Jung-Pang Lo "The emergence of China as a sea power during the late Sung and early Yüan periods," *The Far Eastern Quarterly* 14.4 (1955): 489–503; see Wada Hisanori, "Tōnan Ajia ni okeru shoki Kakyō shakai (960–1279)" [Oversea Chinese in Southeast Asia (960–1279)], *Tōyō Gakuhō* 42.1 (1959): 76–106, and his "Tōnan Ajia ni okeru Kakyō shakai no seiritsu" [Establishment of overseas Chinese societies in Southeast Asia], in *Sekai no rekishi* [The world history], vol. 13 (Tokyo: Chikuma Shobō, 1961), 111–148; Herold Wiens, *China's march toward the tropics* (Hamden, Conn.: Shoe String Press, 1954).

⁶ John K. Fairbank, *Trade and diplomacy on the China coast* (Cambridge, Mass.: Harvard University Press, 1964), 23–38; J. K. Fairbank, ed., *The Chinese world order* (Cambridge, Mass.: Harvard University Press, 1968), 3–4.

tion of population toward the south. From the tenth to the thirteenth century, this population shift increased in tempo.⁷ This migration helped to diffuse new technology and contributed to urban growth. Thus higher productivity in the new region created a larger marketable surplus, stimulated internal trade by causing greater demand, and augmented the rate of saving and formation of capital. The way was paved for the burgeoning commercialization of China's most advanced regional economies.

There were also revolutionary developments in market structure and urbanization. The components of this revolution, as recently summarized by G. W. Skinner,⁸ were (1) a relaxation of the restriction that each county could maintain only one market, which had to be located in the capital city; (2) the breakdown and eventual collapse of the official marketing organization; (3) the disappearance of the enclosed marketplace, along with the walled-ward system, and their replacement by a "much freer street plan in which trade and commerce could be conducted anywhere within the city or its suburbs;" (4) the rapid expansion of certain walled cities and the growth of commercial suburbs outside their gates; and (5) the emergence of a "great number of small and intermediate-sized towns" with important economic functions.

Coupled with these developments were important shifts in governmental policy, which resulted in the increased monetization of taxation and trade, and a general decline in the government regulation of commercial affairs. Faced with rising secularization characterizing this transitional age, the government changed its policy to exploit commerce as a source of revenue.⁹ This particularly became evident from the inauguration of the "two tax" system in 780. The four principles adopted by this new financial system show how vital the change was in fiscal policy: that is, (1) all taxes should be collected, in principle at least, in cash; (2) assessments on tax-farming should be made according to the amount of property held by each household; (3) the total amount of tax collected in a particular year

⁷ Aoyama Sadao, "Zui, Tō, Sō sandai ni okeru kosū no chiikiteki kōsatsu" [Regional observations on the number of households during the Sui, Tang and Song periods], *Rekishigaku Kenkyū* 6.4 (1936): 441–446; 6.5 (1936): 529–554; Elvin, *The pattern of the Chinese past*, 204–210; Chi Ch'ao-Ting, *Key economic areas in Chinese history as revealed in the development of public works for water-control* (London: Allen and Unwin, 1936); Sudō Yoshiyuki, "Nansō inasaku no chiikisei" [The regional character of rice cultivation during the Southern Song period], in *Sōdai keizaishi kenkyū* [Studies of the economic history of the Song period] (Tokyo: Tōkyō Daigaku Shuppankai, 1962), 74–138.

⁸ G. William Skinner, "Urban development in imperial China," in *The city in late imperial China*, ed. G. William Skinner (Stanford: Stanford University Press, 1977), 23–25.

⁹ Twitchett, "Merchant, trade, and government in late T'ang," 80–81.

should be calculated beforehand, based on a rough estimate of government expenditures for that year; and (4) no taxes other than the single farming of the "two taxes" should be permitted.¹⁰

As a result, the proportion of surplus agricultural production which passed directly into government hands as taxes were reduced. Also, the government's direct involvement in local affairs was reduced.¹¹ On the whole, a qualitative change in the nature of internal trade thus took place during the Tang-Song transition. The essential elements of this change were (1) commodities collected and distributed by itinerant merchants were, from Song times on, no longer limited to luxury goods for the rich, but grew to include daily necessities for a broader base of the population, including petty rural landowners and the poor; (2) farmers in various regions of China were no longer economically self-sufficient, but became involved in a network of internal trade; and (3) internal trade was no longer confined to urban and quasi-urban areas, but was extended to include border villages located far from major cities.¹²

Since regional economies still exhibited significant diversity in their evolution and structure, however, the degree of commercialization was different from place to place and was not as advanced in late imperial times. Government trade through the exchange of goods with neighboring people at the trading posts on the border, and through the provisioning of a large amount of its standing army, played a far from negligible role in the rise of long-distance trade. In short, at this stage of commercialization, both technological advance and foreign, or long-distance, trade were the main stimuli for the growth of cities and trade. When foreign trade was conducted, it was in response mainly to the demands of the upper classes and population of the most urbanized areas.

Throughout this period, intercourse between regions became increasingly regular, and the circle of exchange continuously widened. An interregional and international trade of a regular character emerged, and China's economic relations with other East Asian countries were intensified.¹³

In this period, we see the rebirth of trade, a large part of non-agrarian wealth consisting of circulating capital and a greater need for ready cash. Both the

¹⁰ Denis Twitchett, *Financial administration under the T'ang Dynasty* (Cambridge: Cambridge University Press, 1963), 111–113; Hino Kaisaburō, "Ryōzei-hō no kihonteki yongensoku" [The basic four principles of the Two tax system], *Hōseishi Kenkyū* 11 (1960): 40–77.

¹¹ Denis Twitchett, "The T'ang market system," *Asia Major*, n.s., 12.2 (1966): 207.

¹² Fujii Hiroshi, "Shin'an shōnin no kenkyū" [A study of the Sin-an merchants], *Tōyō Gakuhō* 36.1 (1953): 2–7; Nishijima Sadao, *Chūgoku keizaishi kenkyū* [Studies of Chinese economic history] (Tokyo: Tōkyō Daigaku Shuppankai, 1966), 732–736.

¹³ Miyazaki Ichisada, *Godai Sōsho no tsūka mondai* [Currency during the Five Dynasties and Song periods] (Tokyo: Hoshino Shoten, 1943), 3–4.

private sector and the government sought to accumulate currency. The chief medium of exchange in the international trade of the day was bullion, especially silver, whereas in China's internal trade, copper money was widely used, along with, but to a lesser extent, silk, silver, and other monies of inferior quality. With the monetization of the economy, a threefold division of money into silver bullion, copper coins, and other inferior quality media also developed in domestic trade.¹⁴ In the Five Dynasties period 五代十國時代, the use of silver as the medium of exchange in the sale of luxury goods became an established practice in the regional economies of the south and from there made its way into the north.¹⁵

By the end of the Northern Song, the government's total silver holdings in the capital had reached the sum of approximately forty million taels.¹⁶ Meanwhile, the circulation of inferior quality money, which also began in the Five Dynasties period, resulted from two related factors: a general deficiency in ready cash (i.e., copper money) relative to the growth in demand for it, and the government's unwillingness to permit the flow of its holdings of copper coins beyond its borders. As a result of this deficiency, the kingdom of Min 閩 (in Fujian 福建) adopted a lead currency, which undermined the monetary systems of other kingdoms exchanging copper coins and silver for inferior Min coins. The dynasties of the North China plains and the Wuyue Kingdom 吳越國 (in Zhejiang 浙江 and southern Jiangsu 江蘇) attempted, by contrast, to hoard large reserves of copper for strategic reasons. In this context, the question of how to acquire cash in order to produce more wealth was one of the main tasks to which most of the governments of the day addressed themselves. And the Song, in the process of reunifying the empire, learned about monetary and commercial policies from the experiences of the Five Dynasties period.¹⁷

When China was reunified, the Song established control over commodities in high demand in both internal and external markets. The production of tea, salt, and a few mineral resources and the import of precious spices and incense were placed under government supervision, and merchants served as intermediaries in the circulation of these goods.¹⁸ The government also tried to further economic

¹⁴ Katō Shigeshi, *Tō-Sō jidai ni okeru kingin no kenkyū* [Researches into the precious metals in the Tang and Song dynasties], vol. 1 (Tokyo: Tōyō Bunko, 1925), 1–283; Peng Xinwei, *Zhongguo huobishi* [History of currency in China] (Shanghai: Shanghai Renmin Chubanshe, 1965), 323, 417–428; Yang Lian-sheng, *Money and credit in China: A short history* (Cambridge, Mass.: Harvard University Press, 1962), 40–50.

¹⁵ Miyazaki, *Godai Sōsho no tsūka mondai*, 169–240.

¹⁶ *Da Jinguo zhi* [History of great Jin], chap. 32.

¹⁷ Miyazaki, *Godai Sōsho no tsūka mondai*, 118–121.

¹⁸ Quan Hansheng, “Tang-Song zhengfu suiru yu huobi jingji de guanxi” [The relation between the money economy and government revenue during the Tang and Song periods], in his *Zhongguo jingjishi yanjiu* [A study in the economic history of China] (Hong Kong: Xinya Yanjiusuo, 1976), vol. 1:203–363.

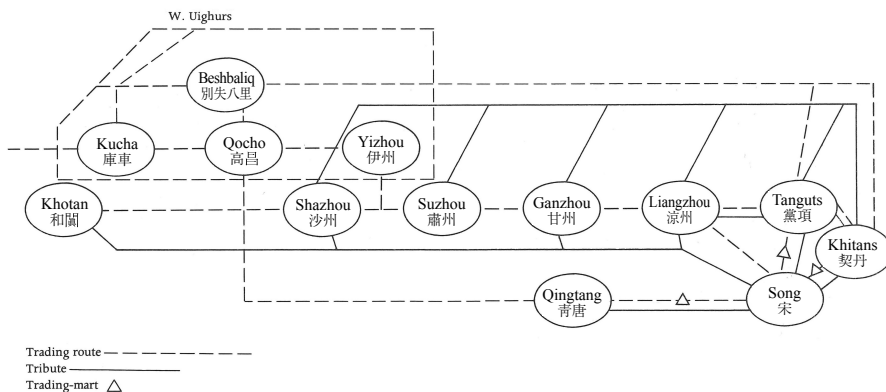
integration by the circulation of large amounts of copper coins as legal tender. The annual output of these coins rose to 1.83 million strings early in the eleventh century, reaching a maximum of 5.06 million strings in 1080.¹⁹ Bills, promissory notes, and paper money were also more frequently used.²⁰ Partly because of the availability of large copper deposits, the Song consistently (and successfully) employed copper money as legal tender. The Song accumulated copper money, bullion, and other kinds of currencies in sufficient quantities to maintain its economic integrity. This economic unity, which was strengthened by interregional and international commerce enabled the Song to survive for about three centuries, despite military pressure from its bellicose neighbors.

2. Areas, Trade Routes, and Commodities

Trade Across the Northern Border

As the Tang dynasty declined, the eastern end of the transportation trade routes was fragmented by repeated advances of various northern peoples. There were, from east to west, the Khitans, Jurchens, Tanguts, Qingtang or Western Qing, Gansu 甘肅 Uighurs, Khotan Uighrus. Their geographical and economic relationship is outlined in Figure 1.

Fig. 1



¹⁹ Peng, *Zhongguo huobi shi*, 451; Hino Kaisaburō, “Hokusō jidai ni okeru dō tetsu sen no chūzōgaku ni tsuite” [On the amount of copper and iron coins minted in the Northern Song period], *Shigaku Zasshi* 46.1 (1935).

²⁰ Peng, *Zhongguo huobi shi*, 428–440; Katō Shigeshi, “Kōshi no kigen nitsuite”, [The origin of *Jiaozi* (paper currency)], in his *Shina keizaishi kōshō* [Studies in the Chinese economic history], vol. 2 (Tokyo: Tōyō Bunko, 1953), 1–3.

The semi-nomadic people who lived on the fringes of China were not uncivilized “barbarians,” nor did they derive from a single ethnic stock. They had developed states composed of various ethnic groups, including Han colonists who had taught them something of Chinese philosophical and ideological teachings, but on the other hand, had made little headway among these peoples.

Because of the political instability noted above, the main artery of west-east trade was forced to divide into several branch routes in the Gansu Corridor before finally reaching the terminus towns on China’s northern frontier. Though this instability interrupted China’s political relations with the states of East Turkestan, exemplified by the sudden decline of the oasis town of Dunhuang 敦煌, trade between China and the west continued to thrive, with the northern peoples serving as intermediaries. The following commodities were exchanged through this transcontinental route.²¹

[Goods from the West]

- horses, camels, sheep, asses
- jade, pearls, amber, emerald, coral
- frankincense,²² myrrh, ambergris, musk, sodium chloride (i.e., borax),²³ yellow alum
- yak’s tail, antelope’s horn, white marten, ivory
- fine white carpets, Pakistan silk brocade, fine cotton cloth
- iron suits of armor, steel swords, copper utensils
- bullion

Such products as frankincense, myrrh, ambergris, fine carpet, ivory, coral, and Persian silk came from the far west (i.e., the Red Sea, eastern Africa, and the

²¹ The data is from *Song huiyao*: “*Tanyi, lidai chaoguan*.” See also Maeda Masana, *Kasei no rekishi chirigakuteki kenkyū* [Study on the geographical history of Hexi] (Tokyo: Yoshikawa Kōbunkan, 1964), 522–524; Nagasawa Katsutoshi, “Godai Sōsho ni okeru Kasei chihō no chūkei kōeki nitsuite” [Entrepôt trade in the Hexi region during the Five Dynasties and Song periods], in *Tōzai bunka kōryūshi* [The history of contact between East and West], ed. Matsuda Hisao hakase kokikinen shuppan iinkai (Tokyo: Yūzankaku, 1975), 109–119.

²² As to frankincense, see Theophrastus, *Enquiry into plants*, IX, IV, 4–6, trans. A. Hort (London: W. Heinemann, 1916), vol. 2:237–238; also see Yamada Kentarō, *Tōzai kōyakushi* [History of aromatics in East and West] (Tokyo: Fukumura Shoten, 1956); Lin Tianwei, *Songdai xiangyao maoyi shigao* [History of the aromatics trade during the Song period] (Hong Kong: Zhongguo Xueshe, 1960).

²³ See Ibn Hauqal, *Kitab surat al-ard*, ed. J. H. Kramers (Leiden: E. J. Brill, 1938), vol. 2, part 2:505–506; Matsuda Hisao, *Kodai Tenzan no rekishi chirigakuteki kenkyū* [Historical and geographical studies on ancient Tianshan] (Tokyo: Waseda Daigaku Shuppanbu, 1956), 400–403.

Persian Gulf) and were transported to China by Arabs, Turks, or Persians. Other items, like jade, borax, yak's tail, and fine cotton cloth, probably came from Central Asia and Tibet. The list below, which shows the frequency of tribute missions dispatched by the states of East Turkestan to the Song (960–1063), is arranged by type of commodity and by individual state.²⁴

	<i>Liangzhou</i>	<i>Ganzhou</i>	<i>Dunhuang</i>	<i>Turfan</i>	<i>Kucha</i>	<i>Khotan</i>
horses	9	17	14	3	18	5
jewels	0	26	23	3	11	10
incense	0	6	10	1	10	2
others	0	6	2	0	2	4

[Goods from China]

- raw silk, silk, silk brocade
- incense, spices, tortoise shell, ivory, pearls, rhinoceros horns, cassia (mainly products from Southeast Asia and South China)
- bullion, gold, silver and copper ornaments, lacquerware, porcelain
- tea, ginger, orange peer
- paper, stationery, printed items²⁵

Together with the exchange of commodities with the Liao 遼 and Xixia 西夏 Dynasties and the Kingdom of Qingtang 青唐, which will be examined below, China's trade with the states of East Turkestan during the Northern Song persisted in the form of tributary trade. Once a year, envoys from at least one of these states arrived in China.²⁶ Tribute envoys from East Turkestan were accompanied by Uyghur merchants, who in most cases remained for long periods in one of the cities of Northern China and sold their valuable goods in exchange for bullion.²⁷ At the height of the Northern Song, the parity of gold and silver in China fluctuated

²⁴ Maeda, *Kasei no rekishi chirigaku teki kenkyū*, 524.

²⁵ The data was obtained from various studies on the Song overland trade with northerners. These sources will be cited below.

²⁶ Maeda, *Kasei no rekishi chirigaku teki kenkyū*, 493–499.

²⁷ *Xu Zizhi tongjian changbian* [The long draft of the continuation of the comprehensive mirror for aid in government] (Taipei: Shijie Shuju, 1964), chap. 75:11b; chap. 111:8b; *Song huiyao jigao* [Collected manuscripts on the *Song huiyao*], “Fanyi” 4:8b, 9a; and 4:9b, 10ab, 11a. Also see Miyazaki, *Godai Sōsho no tsūka mondai*, 235–240; Satō Keishirō, “Hokusō jidai ni okeru Kaikitsu shōnin no tōzen” [The eastward migration of Uyghur merchants during the Northern Song period], in *Chūgokushi ronsō: Hoshi hakushi taikan kinen* [Collected essays on Chinese history in commemoration of Dr. Hoshi's retirement], ed. Hoshi Hakushi Taikan Kinen Chūgokushi Ronshū Henshū Inkai (Yamagata: Hoshi Ayao Sensei Taikan Kinen Jigyōkai, 1978), 89–106.

between 6:1 and 10:1, while the parity in the eastern Muslim states was around 9.6:1, making Song gold cheaper than that of the Islamic world. Hence merchants from East Turkestan traded for Chinese bullion.²⁸ The Uighur merchants also profited through money-lending activities in Kaifeng.²⁹

International trade developed under fluctuating supply and demand and bullion prices, but this is only part of the picture. It is necessary to explain why China, with such an abundance of resources and technological achievements, continued to show interest in foreign trade with unfriendly states in the north and attempted to seal off its northern border.

First, China had a continuing need for cavalry horses, which were obtained in the north.³⁰ Secondly, both the Song and northern dynasties needed additional wealth to cover military expenditures. The northerners benefited greatly from their role as “middlemen” in the trans-Eurasian trade; and the Song received a handsome profit in addition to provisions for its army.³¹ Thirdly, merchants and the upper classes of both sides benefited from international trade, since the demand for luxury goods on the part of the population was rapidly increasing.³²

Song officials, whose wealth was based on the intensive, highly productive agriculture of their tenants, and who could gain access to government positions principally through imperial examinations, differed from the aristocrats of the preceding dynasty. As officials, they had to make their own way, and most of the privileges of status which they enjoyed could not be bequeathed to their children. It

²⁸ Satō, “Hokusō jidai ni okeru Kaikitsu shōnin no tōzen,” 332–334.

²⁹ Satō, “Hokusō jidai ni okeru Kaikitsu shōnin no tōzen,” 336–338.

³⁰ Umehara Kaoru, “Seitō no uma to Shisen no cha” [The horses of Qingtang and Sichuan tea], *Tōhō Gakuhō* (Kyoto) 45 (1973): 202–205. For a later period, see Morris Rossabi, “The tea and horse trade with Inner Asia during the Ming,” *Journal of Asian History* 4.2 (1970): 136–168.

³¹ Shiba Yoshinobu, “Sōdai shiteki seido no enkaku” [History of the official grain purchasing system under the Song dynasty], in *Sōdaishi ronsō* [Essays on Song history] (Tokyo: Seishin Shobō, 1974), 123–159.

³² Karl A. Wittfogel and Fêng Chia-shêng, *History of Chinese society, Liao (907–1125)* (Philadelphia: American Philosophical Society, 1949), 219–225; Tamura Jitsuzō, “Ryō-Sō no kōtsū to Ryō kokunai ni okeru keizaiteki hattatsu” [Communication between the Liao and Song and economical development in the Liao dynasty], in *Chūgoku seifuku ōchō no kenkyū* [A study of dynasties of conquest in China], vol. 1 (Kyoto: Tōyōshi Kenkyūkai, 1964), chap. 5:223–270; Shimada Masao, *Ryōdai shakaishi kenkyū* [Studies on social history during the Liao] (Kyoto: Sanwa Shobō, 1952), 209–343. For the Xixia, see Okazaki Seirō, *Tangūto kodaishi kenkyū* [Studies in the ancient history of the Tanguts] (Kyoto: Tōyōshi Kenkyūkai, 1972), 239–252. For the China, see Mikami Tsugio, *Kindai Joshin shakai no kenkyū* [Study of Jurchen society in Jin era], *Kinshi kenkyū* [Study of Jin history] 1 (Tokyo: Chūō Kōron Bijutsu Shuppan, 1972), 208–211; and Toyama Gunji, *Kinchōshi kenkyū* [Studies on Jin period] (Kyoto: Tōyōshi Kenkyūkai, 1970), 37–39.

could not have been easy for them to maintain their families at the high standard of living existing in the urbanized, commercialized society of the time. Their official prerogatives, however, and laws that tolerated official investment in commerce, particularly in the covert form of joint investment, gave them opportunities to make money. As their rank and wealth increased, they formed the basis for the flowering of a distinctive official-gentry culture.³³

Extravagance spread downward from officialdom into the lower classes and outward from the capital to the provinces. This may be inferred from the sumptuary legislation repeatedly issued by the Song government, especially that relating to dress, furniture, and housing. These laws were widely ignored, as may be seen from the observations of one contemporary: "These days the families of artisans and merchants trail white silks and brocade, and adorn themselves with jade and pearls. In nine cases out of ten, if one looks a person over from head to foot, one will find that he is breaking the law." Wang Mai 王邁, a thirteenth-century official wrote:

The customs of the empire have now become extravagant. Limitless sums are squandered on the construction of lofty and elegant mansions, something which used to be forbidden. These days such is the practice of spendthrift emulation that roof beams confront each other in unbroken succession. There is no end to the waste of money on gilding and kingfisher feathers, something on which restrictions used to be imposed. There are at present rows of shops which do gold-plating, competing with each other for profit. One drinking-bout among the gentry may squander assets worth ten pieces of gold. It is not only officials of long standing who do this; the pernicious practice is imitated by those who have just entered government service. Trifles like women's ornaments and clasps may cost up to a hundred thousand cash. Nor does this happen only in the great households; those of moderate means also strive to do the same. Adornments which appear in the Rear Palace in the morning will have become the fashion among the commoners by evening. What is manufactured yesterday for those in high places will be spread throughout the capital tomorrow.

Gold-foil costume jewelry, although illegal, was worn not only by powerful and titled individuals but also by commoners who had little money. Gold and silver vessels were widely used, being found even in the wine-shops, tea-houses, and restaurants of larger cities. Silversmith shops that dealt in gold and silver were found in many prefectural and country capitals, and even in some market towns. In some areas, ordinary townsfolk and villagers wore gold and silver ornaments.³⁴

³³ Shiba, *Commerce and society in Sung China*, 202–203.

³⁴ Shiba, *Commerce and society in Sung China*, 203–205.

Both Buddhist and Taoist festivals, and theatrical performances closely connected with them, often held at market towns afforded opportunities for the purchase of such foreign goods as medicine, perfumes, incense, and spices.³⁵ The medicine, which was acquired by the government through international trade, was also sold at official medical treatment bureaus established in major cities.³⁶

Luxurious tastes were also prevalent among the upper classes of China's neighboring peoples,³⁷ who obtained the Chinese goods they needed either through trade or in the form of gifts made by the Dynasty in return for tributary offerings.

3. Trade with the Liao Dynasty

The Liao Dynasty, which ruled eastern Inner Mongolia and part of northern China, was divided into five provinces each having its own capital. It was not as integrated as the Song and exhibited a great deal of diversity from province to province. Most of its territory, however, was linked by an effective network of overland routes, which were connected to the main roads of neighboring provinces.³⁸ The main Liao port at the mouth of the Liao River (Liaohe 遼河) was linked with the port of China along the coast of the Shandong Peninsula (Shandong Bandao 山東半島) and at the mouth of the Yangzi River (Yangzijiang 揚子江).³⁹ This sea route was particularly useful when military disturbances or political unrest impeded overland trade missions to China.

The commodities exchanged included, from the Liao, horses, sheep, white marten fur, white fox fur, woolen cloth, carpets, brocade, silver and gold ornaments, iron suits of armor, slaves, and lumber; while from China there were silk, silk brocade, tea, arms, marine products, ginger, orange peel, *caesalipinia sappan* (dye), medicines, silver and gold ornaments, and goods from Southeast Asia.⁴⁰ The Chinese desired horses from the Liao and the Jurchen (Jin 金) Dynasties. The Liao and the Jurchen Dynasties tried to control the outflow of their horses into the Song

³⁵ Shiba, *Commerce and society in Sung China*, 156–164.

³⁶ Elvin, *The pattern of the Chinese past*, 184–192; Miyashita Saburō, “Sō-Gen no iryō” [Medicine in Song and Yuan era], in *Sō-Gen jidai no kagaku gijutsushi* [History of science and technology during the Song and Yuan periods], ed. Yabuuchi Kiyoshi (Kyoto: Kyōto Daigaku Jinbun Kagaku Kenkyūjo, 1967), 141–142.

³⁷ See note 32 above.

³⁸ Tamura, “Ryō-Sō no kōtsū to Ryō kokunai ni okeru keizaiteki hattatsu,” 171, 228–236, 249–256.

³⁹ Hino Kaisaburō, “Godai jidai ni okeru Kittan to Shina tonō kaijō bōeki” [Maritime trade between Khitan and China: Maritime activities of Bohai descendants in Dongdan kingdom], *Shigaku Zasshi* 52.7 (1941): 1–47; 52.9 (1941): 55–82.

⁴⁰ Hino, “Godai jidai ni okeru Kittan no Shina to no kaijō bōeki.”

territory. But not a negligible amount of horses infiltrated into the Song domain illicitly either through overland byroads or through sea routes. In sum, these two states remained the main suppliers of Song studs for the first half of the Northern Song period.⁴¹

The Liao depended on trade from its inception. As early as 909, Yelü Abaoji 耶律阿保機, its founder, established a trading post that set a precedent for the later development of commerce throughout his domain.⁴² Shortly thereafter, during the reign of Taizuan, thriving markets developed in each of its four provincial capitals.⁴³ Later, the Liao mounted military expeditions against the Koreans, Jurchens, Tanguts, Gansu Uighur states, and China. As a result of the expeditions against the Jurchens and the Koreans, the Liao succeeded in controlling the lines of communication between the Jurchens, Korea, and China, thus monopolizing the trade in furs, horses, pearls, and ginseng. At the same time, the Liao received regular tribute missions from the Jurchens, Korea, Uighurs, Khotan, and Kucha, which offered jade, amber, agate, frankincense, fine carpets, cotton cloth, and bullion.⁴⁴

After these successes in acquiring new territory and in expanding commerce, the Liao sought to improve its trade relations with China, which had been carried on amicably, but on a limited scale. The Liao was inclined to do so because the presence of Chinese specialists and craftsmen in its domain had stimulated an increased demand for luxury goods from China.⁴⁵

According to the treaty of Chanyuan (Chanyuan zhi meng 澶淵之盟) in 1005, the Song agreed to open five permanent trading posts close to the border.⁴⁶ The Liao reciprocated by opening three of its own markets.⁴⁷ Officially sanctioned trade between the two states could be conducted at these locations. Lack of sources thwarts any effort to describe this system of frontier markets, but a few Song records enable us to see at least part of the picture.⁴⁸ A distinction between official

⁴¹ Hino Kaisaburō, "Godai no basei to tōji no uma bōeki" [Horse administration and trade during the Five Dynasties period], *Tōyō Gakuhō* 29.1 (1942): 372–375; Hino Kaisaburō, "Sōsho Joshin no Santō raikō to bōeki" [The arrival of Jurchen ships at Shandong and foreign trade during the early Song period], *Chōsen Gakuhō* 37/38 (1966): 372–375; and his "Sōsho Joshin no Santō raikō no taisei to sono yurai" [The reason for the large influx of Jurchen ships into Shandong during the early Song period], *Chōsen Gakuhō* 33 (1964): 45–46.

⁴² Hirashima Kiyoshi, "Kittan no bōkkōki ni okeru Chūgoku tonō kankei" [Qitai's relations with China during its golden age], *Shien* 53 (1952): 88–89.

⁴³ *Liaoshi* [History of Liao] (1344; repr., Shanghai: Baina ed., 1931), chap. 60:1a–1b.

⁴⁴ Wittfogel and Fêng, *History of Chinese society, Liao (907–1125)*, 219–225.

⁴⁵ Shimada, *Ryōdai shakaishi kenkyū*, 253–267.

⁴⁶ *Xu Zizhi tongjian changbian*, chap. 59:6a–7b; *Songshi* [History of Song], chap. 38:26b–27a; chap. 186:23a–23b; Tamura, "Ryō-Sō no kōtsū to Ryō kokunai ni okeru keizaiteki hattatsu," 239.

⁴⁷ Tamura, "Ryō-Sō no kōtsū to Ryō kokunai ni okeru keizaiteki hattatsu," 240.

⁴⁸ *Song huiyao jigao*, "Shihuo" 38:5480–5482.

transactions and private trade was rigidly maintained. Official trade dealt with commodities subject to governmental monopoly and government officials sent from Kaifeng 開封 supervised the trade. Song merchants offered tea, silk, lacquerware, porcelain, and grain. Officials stationed at these markets watched for espionage activities and settled disputes which arose over prices as a result of improper trade practices.

Certain goods were not traded. The Song prohibited the export of salt, books, maps, and weapons, whereas the Liao forbade the sale of horses. Needless to say notwithstanding attempts at enforcement, it was impossible for either country to enforce the contrabands due to active trade in such goods along the entire frontier.⁴⁹

The exchange of goods at the official frontier markets was only a part of the total flow of goods between the two countries. The Song had agreed to send 100,000 taels of silver along with 200,000 bolts of silk to the Liao as annual tribute. The amounts were raised to 200,000 and 300,000 respectively,⁵⁰ but this did not result in an increase in Liao's bullion holdings.⁵¹ Song imports normally exceeded Liao exports by a great margin. On the average, import trade with the Liao showed an annual surplus trade balance of 800,000 strings of cash, of which the government's share through official trade accounted for about 400 to 500,000 strings.⁵² This excess of imports over exports enabled the Song to regain all of the silver sent to the Liao as tribute.

Some of the silk cloth and silver obtained from the Song was exported by the Liao to its neighbors. For example, when the Tanguts were at war with the Song, the price of silk in Xixia was forty times higher than that of the Song.⁵³ Even in peace time it was three or four times higher.⁵⁴ The Liao exploited this situation by exporting its silk to the Xixia at a price only twice as high. The trade relations centering around the Liao are shown schematically in Figure 2.

⁴⁹ Tamura, "Ryō-Sō no kōtsū to Ryō kokunai ni okeru keizaiteki hattatsu," 242–245.

⁵⁰ Hino Kaisaburō, "Gin ken no jukyūjō yori mita Godai Hokusō no Saihei Saishi" [Imperial gifts and the supply and demand of silver and silk during the Five Dynasties and Song periods], *Tōyō Gakuhō* 35.1 (1952): 15–21; 35: 2 (1952): 154–166.

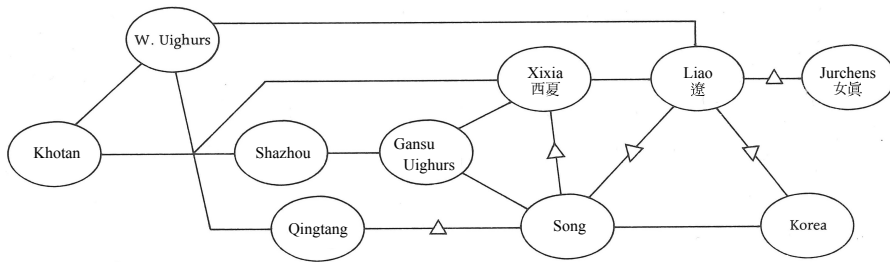
⁵¹ Song gifts to the northerners were well balanced by the vast amounts of profits gained at trading posts on the border. See, for example, *Sanchao beimeng huibian* [Collected documents concerning northern alliances among the Song, Liao and Jin] (1194; repr., Taipei: Commercial Press, 1976), chap. 8, the sixth month of the fourth year of the Xuanhe era.

⁵² *Songshi*, chap. 186:23a–23b. See also Hino, "Gin ken no jukyūjō yori mita Godai Hokusō no Saihei Saishi," 1–21; Hatachi Masanori, "Hokusō Ryō kan no bōeki to saizō ni tsuite" [Trade and imperial gifts during the Song and Liao periods], *Shien* 111 (1974): 127–133.

⁵³ *Xu Zizhi tongjian changbian*, chap. 404:23b; Hino, "Gin ken no jukyūjō yori mita Godai Hokusō no Saihei Saishi," *Tōyō Gakuhō* 35.2 (1952): 75.

⁵⁴ Hatachi, "Hokusō Ryō kan no bōeki to saizō ni tsuite," 122.

Fig. 2



4. Trade with the Xixia Dynasty

Like the other of China's northern and western neighbors, the Xixia was economically dependent on the trans-Eurasian trade. Xixia domains stretched south of the great bend in the Yellow River, but it also controlled important sections of caravan routes that ran from East Turkestan to the Chinese frontier towns.⁵⁵ Despite its strategic location, the Xixia enjoyed less trade with China than the Liao. The Xixia had scarce resources, but included camels, sheep, cattle, horses, licorice, yellow wax, musk, fine salt and medicines.⁵⁶ Although the Tanguts produced high quantity salt, which they sold to people in Shaanxi 陝西 and Gansu, Song China's rigid enforcement of its salt monopoly system in these areas effectively excluded Xixia salt.⁵⁷ The Tanguts could, of course, have exported horses and such western commodities as jade, borax, fine carpets, amber, coral, and incense, which they obtained from neighboring tribes in the north and the Kansu Uighurs to the west, but they remained on bad terms with the latter for a long while, and trade did not expand.

The Song then made a conciliatory gesture. In return for sending horses and sheep to China, Xixia envoys were granted the right of free trade while they were in the Middle Kingdom.⁵⁸ With the consolidation of the Xixia kingdom, however, warfare broke out between the two. The Song, eager for peace, was forced to change its policy, and by a treaty of 1007, it established markets to trade with the Xixia.⁵⁹ In 1026 it opened two additional markets.⁶⁰ Meanwhile, the Xixia expanded into the Gansu Corridor to strengthen its control of trade with the west. Before long, the Uighur states at Ganzhou 甘州 and Liangzhou 涼州 succumbed to the

⁵⁵ Maeda, *Kasei no rekishi chirigakuteki kenkyū*, 584–614.

⁵⁶ Okazaki, *Tangūto kodaishi kenkyū*, 240–244.

⁵⁷ Miyazaki Ichisada, "Seika no kōki to Seihaku-en mondai" [The rise of the Tanguts (Xixia) and Qingbai salt], in *Ajiashi kenkyū* [Asiatica studies in the oriental history], vol. 1 (Kyoto: Kyōto Daigaku Bungakubu nai Tōyōshi Kenkyūkai, 1957), 293–310.

⁵⁸ Okazaki, *Tangūto kodaishi kenkyū*, 240–242.

⁵⁹ *Songshi*, chap. 186:24a, b; chap. 66:2b.

⁶⁰ *Xu Zizhi tongjian changbian*, chap. 104:3b.

Xixia pressure (in 1028 and 1031, respectively), and thereafter Dunhuang, Guazhou 瓜州, and Suzhou 肅州 also submitted.⁶¹ In 1035 the Xixia dispatched a military expedition against the Kingdom of Qingtang tribesmen located in the upper reaches of the Yellow River.⁶² These people had earned enormous profits from trade in horses and western commodities that flowed along southern caravan routes through East Turkestan, bypassing the Gansu Corridor.⁶³

Xixia aggression led to hostilities between the Qingtang and the Song, but a treaty in 1044 ended the conflict. Under this agreement, the Song was forced to send the XiXia 50,000 taels of silver, 130,000 bolts of silk, and 30,000 catties of tea as annual tribute, along with 22,000 taels of silver, 23,000 bolts of silk, and 10,000 catties of tea under the guise of annual reciprocations for gifts from the Xixia.⁶⁴ The Song also agreed to establish two new trading markets and reopen eight horse markets located at the border.⁶⁵ Xixia merchants traded horses (about 20,000 annually), sheep (several tens of thousands), cattle, camels, dyes, licorice, yellow wax, musk, medicines, and such western goods as borax, jade, fine carpets, amber, coral, and frankincense, while Song merchants and officials brought tea, silk, silver, exotic items from Southeast Asia, porcelain, lacquerware, and gold ornaments.⁶⁶

Trade in illicit goods was also carried on at the border. Printed texts, arms, tea, and copper and iron coins were smuggled from China and fine salt from the Xixia. Some of the copper and iron coins entered Xixia domains as a result of exchanges designed to level out the balance of payments. This influx of currency provided a stimulus for the gradual monetization of the Xixia economy. Since iron and copper were scarce, the import of these coins provided the state with an indispensable means of minting its own currency.⁶⁷

The balance of payments between the two countries resembled that between the Song and Liao. One head of sheep, for example, was valued at several catties of tea and the total amount of tea imported by the Xixia through trade markets in 1044 was estimated at a little more than 200,000 catties, 10 percent of which was obtained as gifts from the Song.⁶⁸ The Xixia export of several tens of thousands

⁶¹ *Songshi*, 485, 12b; *Xu Zizhi tongjian changbian*, chap. 111:16b.

⁶² *Xu Zizhi tongjian changbian*, chap. 117:17b, 18a; chap. 119:16b, 17a.

⁶³ Maeda, *Kasei no rekishi chirigakuteki kenkyū*, 558–570; Okazaki, *Tangūto kodaishi kenkyū*, 299–305.

⁶⁴ *Xu Zizhi tongjian changbian*, chap. 152:9b, 10a.

⁶⁵ *Xu Zizhi tongjian changbian*, chap. 153:12a; Hino, “Gin ken no jukyūjō yori mita Godai Hokusō no Saihei Saishi,” 173–174.

⁶⁶ Okazaki, *Tangūto kodaishi kenkyū*, 240–242.

⁶⁷ Nakajima Satoshi, “Seika ni okeru dō tetsu sen no chūzō nitsuite” [The minting of copper and iron coins by the Tanguts (Xixia)], *Tōhō Gakuhō* (Tokyo) 7 (1936): 187–208.

⁶⁸ *Xu Zizhi tongjian changbian*, chap. 149:15a–15b, 16a–16b, 17a; Hino, “Gin ken no jukyūjō yori mita Godai Hokusō no Saihei Saishi,” 173.

of sheep was nearly sufficient to cover the cost of importing the tea. The Xixia's demand for silk was great, and the Song was almost the sole supplier. Since a horse was valued at 20 bolts of silk at the horse markets, the Xixia obtained about 400,000 bolts for the 20,000 horses it sold annually.⁶⁹ However, the Xixia's export of horses decreased year after year because of the advent of a new source of supply, Qingtang. To obtain the Chinese products they craved, the Khitans and Tanguts were now compelled to buy them with the silver the Song offered them as tribute.

5. Trade with Qingtang

During the last half of Northern Song period, the Chinese government annually purchased between 15 and 20,000 horses for military use from Qingtang.⁷⁰ The Song was forced to do so because the other sources of supply, the Liao and Xixia, had placed an embargo on their own horses. In order to finance the purchase of such a huge number of cavalry mounts, the Song government initiated a system of exchanging Qingtang horses for tea produced in the region of present-day Sichuan 四川 and Shaanxi.⁷¹ As a result, both the production and the circulation of the Sichuan tea, which had been free of government restriction, was placed under much tighter official control. The export of tea from southern China into Sichuan and Shenxi was also prohibited. The government purchased the tea directly from plantations there and sent it to the border markets via merchants or officials. At these markets, some of the tea was sold by officials to Chinese and the other inhabitants of the areas. Of the 30 million catties produced in Sichuan, about 25 million were sold for local consumption, while 5 million were bartered for Qingtang horses at an average price of one horse for 100 catties of Sichuan tea.⁷²

Qingtang also supplied mercury, musk, and fur and served, as "middlemen" for the trade in western goods that came through East Turkestan by way of the southern caravan routes.⁷³

⁶⁹ *Xu Zizhi tongjian changbian*, chap. 339:2b; Hino, "Gin ken no jukyūjō yori mita Godai Hokusō no Saihei Saishi," 173–175.

⁷⁰ Umehara, "Seitō no uma to Shisen no cha," 205; Lin Shuihan, "Songdai bianjun zhi mashi jima zhi gangyun" [Horse trading and transportation in the remote districts of Song period], *Dalu Zazhi* 31.9 (1965): 258–265.

⁷¹ Umehara, "Seitō no uma to Shisen no cha," 198–202.

⁷² Umehara, "Seitō no uma to Shisen no cha," 210–212.

⁷³ Maeda, *Kasei no rekishi chirigakuteki kenkyū*, 626–678.

6. Trade with the Jin Dynasty

After the Jin 金 Dynasty's (Jurchen) destruction of the Northern Song in the 1120s, international trade went through a period of change. Trade routes from the west were now largely dominated by Mongols and the Xixia. The Song, however, was compensated for the loss of trade by a growing sea trade with Southeast Asia and the Arabs in the India Ocean. The drying up of the Song's main source of military horses was not so easily remedied, though the tribal peoples of Yunnan 雲南 and Guangxi 廣西 supplied it with some.⁷⁴

After the surrender of the Northern Song capital, the Jin acquired an enormous amount of Song silver reserves valued at 40 million taels, along with 3 million *ting* of gold, 8 million *ting* of silver, 54 million bolts of silk, and 15 million bolts of silk brocade.⁷⁵ They also inherited the latter's advanced and diversified industries and developed a monetary system and commercial economy.⁷⁶ The diffusion of silver through commercial transactions and the spread of paper money into parts of northern China enabled the Jin to establish a monetary system, which almost entirely ended the use of iron and copper coins.⁷⁷ All of these advantages permitted the Jin to sustain itself economically for about a hundred years.

The Song traded regularly with the Jin,⁷⁸ even when they were at war.⁷⁹ According to a peace treaty signed in 1141, both parties agreed to maintain commercial relations by the reestablishment of trade markets. Although these markets resembled those in Northern Song times, they were more extensive and highly organized. They functioned rather well until they were disbanded in 1206, with only minimal disturbances during the years of war, 1159–1165.⁸⁰

The two states opened about twenty markets for trade, which was carried on through both official and private channels. Official trade entailed the exchange of commodities under government control, such as silk produced by official industries,

⁷⁴ Fujimoto Hikaru, "Nansō Kōba kō" [Horses in Guangxi during the Song period], *Tōyōshigaku Ronsyū* 1 (1953): 205–215; and his "Zoku Nansō Kōba kō" [Horses in Guangxi during the Song period: Part II], *Shichō* 57 (1955): 1–13.

⁷⁵ *Da Jinguo zhi*, chap. 32.

⁷⁶ Mikami, *Kindai Joshin shakai no kenkyū*, 208–211.

⁷⁷ *Jinshi* [History of Jin] (1344; repr., Shanghai: Baina ed., 1931), chap. 48:15a.

⁷⁸ Katō Shigeshi, "Sō to Kinkoku to no bōeki ni tsuite" [On the trade between the Song and Jin empires], in *Shina keizaishi kōshō* (see note 20), vol. 2:253–262; Ōsaki Fujio, "Sō-Kin bōeki no keitai" [The forms of foreign trade during the Song and Jin periods], *Hiroshima Daigaku Bungakubu Kiyō* 5 (1954): 159–182.

⁷⁹ *Jianyan yilai chaoye zaji* [Random notes on domestic and foreign policy since the Jianyan era (1127–1130)] (ca. 1202–1216), chap. 20:186. See also Ōsaki, "Sō-Kin bōeki no keitai," 162–163.

⁸⁰ Also see Katō Shigeshi, "Sō-Kin bōeki ni okeru cha sen oyobi kinu ni tsuite" [Tea, copper cash and silk in the trade between the Song and Jin empires], in *Shina keizaishi kōshō* (see note 20), vol. 2:284–316.

spices, and incense. Officials in charge of this trade were provided with capital or goods for exchange. Private trade was conducted by merchants who were required to pay the government a fixed commercial tax and brokerage fee. The Song prohibited trade in copper coins, salt, luxury goods from Southeast Asia, ginger, orange peel, cotton cloth, rice and other grains, lacquerware, porcelain, wooden furniture, gold and silver ornaments, calligraphy brushes, ink, copper coins, silver, books, and weapons. The China reciprocated with horses, copper coins, silver, silk, pearls, medicine, marten fur, dyes, and salt.

The Southern Song annually offered the Jin silver and silk as a subsidy just as the Northern Song had sent “tribute” to the Liao and the Xixia. In the treaty of 1141, the Song agreed to send the Jin 250,000 taels of silver and 250,000 bolts of silk as annual tribute.⁸¹ In 1165 the amount was decreased to 200,000 and 200,000 respectively.⁸² In 1208 the amount of silk was once again increased to 300,000 bolts.

The Jin consistently imported more than it exported during this whole period. The Song’s import of large amounts of Jin silk was balanced out by its extensive export of tea and other goods from the south.⁸³ It appears that the silver which entered the Jin as tribute or through smuggling soon flowed back to the Song, either as a result of Jin purchases at the trade markets or through the contraband trade.⁸⁴ The direction of the flow of copper coins is still controversial. Katō Shigeshi insists that copper coins must have flowed into the Jin side while Sogabe Shizuo postulates that the flow was in the other direction,⁸⁵ however, both states experienced a serious drain of copper. Although the Jin acquired enormous quantities from the Northern Song, it lacked sufficient copper deposits to mint additional coins. The Southern Song’s exploitable copper deposit also decreased.

7. Overseas Trade

For a long time the Chinese lagged in the development of the maritime technology needed for transoceanic trade. During the Tang period regular coastal trade

⁸¹ *Songshi*, chap. 29:18b.

⁸² *Songshi*, chap. 33:16a–16b.

⁸³ See note 80.

⁸⁴ Katō Shigeshi, “Kinkoku ni okeru gin” [Silver in Jin kingdom], in *Tō-Sō jidai ni okeru kingin no kenkyū* [Researches into the precious metals in Tang and Song dynasties], vol. 2 (Tokyo: Tōyō Bunko, 1926), chap. 10:614–626; Quan Han-sheng, “Song Jin jian de zousi maoyi” [Smuggling during the Song and Jin periods], *Bulletin of the Institute of History and Philology, Academia Sinica* 11 (1947): 425–447.

⁸⁵ Sogabe Shizuo, *Nichi Sō Kin kahei kōryūshi* [History of coin exchange among Japan, Song and Jin] (Tokyo: Hōbunkan, 1949), 109–126, 195–206.

developed among the many seaports of the China coast, Bohai Bay, the Korean Peninsula, and the Japanese archipelago, but the Chinese ships used in this trade were small and vulnerable to the hazards of the sea. They were only suited for the navigation of shallow coastal waters, being essentially nothing more than slightly modified versions of the boats originally used in inland waterways. Thus the Tang was content to rely on Southeast Asia, Persian, and Arabian ships trading with Vietnam, Cambodia, Malaya, Java, and India. The Arabs were the most important intermediaries in the transoceanic trade. They sailed the Indian Ocean in large ships, trading at the major ports of India, Ceylon, Java, and China, where the port of Guangdong 廣東 became the distribution center for spices, incense, silk, pearls, jasper, gold, silver, lacquerware, and porcelain. Goods from the east were brought back by these same vessels to the Persian Gulf or the Red Sea by means of the monsoon winds. This precious freight was then either sent to inland countries by the transcontinental caravan routes or unloaded at the port of Alexandria.

By Song times, the Chinese had made great advances in the construction of seagoing junks.⁸⁶ They were built with iron nails and waterproofed with special oil. They had mariner's compass, watertight bulkheads, buoyancy chambers, floating anchors, axial rudders in place of steering oars, scoops for taking samples off the sea floor, and small rockets propelled by gunpowder. The Chinese learned many techniques of navigation and shipbuilding from the Arabs, and their skill in the use of iron nails, watertight bulkheads, pinewood planks and floating anchors surpassed their teachers. Chinese ships were, in fact, more seaworthy than those of the Arabs.⁸⁷ It is not surprising, therefore, that from the tenth century on, foreign merchants chose, when possible, to travel on Chinese ships. The recent excavation of a sunken Southern Song junk off the shore of Quanzhou Bay (Quanzhouwan 泉州灣), Fujian has revealed the following general features of a large-sized seagoing vessel of the era.⁸⁸

total length, 39.55 meters	maximum width, 9.9 meters
height at bow, 7.98 meters	height at stern, 10.5 meters
displacement tonnage, ca. 154.40 tons	(actual weight, ca. 250 tons) ⁸⁹

The outstanding characteristics of these oceangoing vessels were their large

⁸⁶ Shiba, *Commerce and society in Sung China*, 4–40.

⁸⁷ Kuwabara, *Hojukō no jiseki*, 88–92; Needham, *Science and Civilisation in China*, vol. 4, part 3:412, 450, 459.

⁸⁸ “Quanzhouwan Songdai haichuan fajue jianbao” [Brief report on the excavation of a Song period ship discovered in Quanzhou Bay], *Wenwu* 10 (1975): 28–35.

⁸⁹ Thomas H. C. Lee, “A report on the recently excavated Song ship at Quanzhou and a consideration of its true capacity,” *Song Studies Newsletter* 11/12 (1976): 4–9.

capacity and speed. Such bulky goods as rice, porcelain, pepper, lumber, and minerals, which were always difficult to handle, could now be transported by Chinese seafarers. For example, large quantities of rice from the Yangzi River ports could regularly be supplied to Zhejiang, Fujian, and Shandong.⁹⁰ As an example of the huge carrying capacity, more than 10,000 pieces of ceramic ware has been recovered so far from a fourteenth century Chinese junk excavated off the shore of Sin'an 新安, Korea.⁹¹ The average capacity of such seagoing junks is estimated to have been between 200 and 600 tons. As for speed, the journey from Fujian to Korea took five to twenty days,⁹² from Guangdong to Champa eight days,⁹³ and from Ningbo 寧波 to Mizhou 密州 in southern Shandong as little as three days.⁹⁴

The large-scale colonization of the Southeast Asian coast and South China and resultant movement of the Chinese into the tropics provided a further stimulus to the growth of sea trade.⁹⁵ The Chinese merchants who frequented the trading ports of Southeast Asia had to remain there for some time, waiting for the next monsoon for the trip home. Owing partly to this enforced stay and partly to the lure of profits to be made there, many of them became permanent residents in various areas of East Asia, Champa, Srivijaya, Tonking, Cambodia, and Korea.⁹⁶

The Tang initiated a shift in government policy toward trading. It abandoned strict control over commerce and began to exploit industry as a source of revenue.⁹⁷ The subsequent increase in the volume and tempo of maritime trade encouraged the Song to reestablish the same system. As early as 977, a few years after the Southern Han kingdom's submission to the Song (971), the Office of Monopoly of Trade (*Queyiju* 榷易局) was established in Kaifeng,⁹⁸ and in the same year the Office of Overseas Trade was set up at Guangzhou 廣州. This was followed by the inauguration of similar offices at other ports, including Hangzhou 杭州 (989), Ningbo (992), Shanghai 上海 (1074), Quanzhou (1087), Mizhou (1088), and Wenzhou

⁹⁰ Shiba, *Commerce and Society in Sung China*, 58–63.

⁹¹ *Sinan haejō munmul* [Cultural artifacts discovered at the bottom of the Sinan sea] (Seoul: Kungnip chungang pangmulgwan, 1975).

⁹² Shiba, *Commerce and Society in Sung China*, 9.

⁹³ Wada, "Tōnan Ajia ni okeru shoki Kakyō shakai (960–1279)," 87.

⁹⁴ Shiba, *Commerce and Society in Sung China*, 58–63.

⁹⁵ Wada, "Tōnan Ajia ni okeru shoki Kakyō shakai (960–1279)," 87.

⁹⁶ Wada, "Tōnan Ajia ni okeru shoki Kakyō shakai (960–1279)," 87, and Mori Katsumi, *Nissō bōeki no kenkyū* [A study of the trade between Japan and Song China] (Tokyo: Kunitachi Shoin, 1948), 284–285; *Songshi*, chap. 187: 17b, 19b, 20a; Shiba, *Commerce and Society in Sung China*, 187–188.

⁹⁷ Fujita Toyohachi, "Sōdai no Shihakushi oyobi Shihaku jōrei" [Customs offices (*Shibosi*) and Maritime trade regulation during the Song period], in *Tōzai kōshōshi no kenkyū*, *Nankai-hen* [Studies on cultural intercourse between East and West: Southeast Asia], ed. Ikeuchi Hiroshi (Tokyo: Oka Shoin, 1981), 344–366.

⁹⁸ *Xu Zizhi tongjian changbian*, chap. 18:9a.

温州 (before 1132).⁹⁹ Of these, Hangzhou and Ningbo were utilized mainly for trade with Korea and Japan, while trade with Southeast Asia was funneled through Guandong and Quanzhou.

The regulations for the Office of Overseas Trade resembled those of the frontier trading markets system. Officials were expected to do the following. (1) Inspect incoming vessels and collect maritime customs in kind. Officials would deduct, in advance, a portion of the goods in kind, and then farm out customs duties and monopoly taxes. The tariff rate fluctuated from time to time, but in general it was fixed at one-tenth of the cargo. In the late Song period, higher rates were applied to luxury goods. (2) Use public funds to purchase such foreign goods as pearls, tortoise shells, rhinoceros horns, steel, brass, coral, agate, frankincense, and large pieces of ivory. As for the rest of the cargo, the officials could purchase it at their own discretion and were free to sell it to private merchants. (3) Issue certificates that allowed traders who had already paid custom duties to sell their cargos at markets within China. (4) Issue certificates to foreign ships, allowing them to depart from China. Officials were to make sure that Chinese vessels returned to the same port from which they departed. (5) Increase the volume of the sea trade by encouraging foreign merchants to come to China. (6) Enforce the embargo placed on the export of copper coins and other illicit items. (7) Supervise the rescue of wrecked ships and dispose of the property left by foreign merchants.¹⁰⁰

The profits the government derived from this trade were far from negligible. In the early Northern Song period, government revenue from maritime trade amounted to 300,000 to 500,000 strings of cash and accounted for 2 or 3 percent of total revenue.¹⁰¹ It was very difficult to prevent illegal trade in the ports where Offices of Overseas Trade were established, particularly during the Southern Song period. The government was eager to attract as many foreign vessels as possible, and it needed private ships as naval auxiliaries in times of war. The scope of this trade is reflected in travel accounts of contemporary writers¹⁰² and archeological discoveries of such Chinese products as porcelains and copper coins. Ordinarily, the western limit of the Chinese junk was the Malabar Coast of India, but sometimes they ventured into the Persian Gulf and the Red Sea.¹⁰³ A total of 1,364 Song copper coins have

⁹⁹ Shi Wenji, "Songdai Shibosi de shezhi" [Establishment of Maritime customs offices (*Shibosi*) during the Song period], *Songshi Yanjiuji* 5 (1970): 341–402.

¹⁰⁰ Satō Keishirō, "Nansō jidai ni okeru Nankai bōeki ni tsuite" [The South China Sea trade during the Southern Song period], in *Isurāmu shōgyōshi no kenkyū* [Historical study of Muslim commerce] (Kyoto: Dōhōsha, 1981), 344–366.

¹⁰¹ *Jianyan yilai chaoye zaji*, chap. 15.

¹⁰² For example, Zhou Qufei's *Lingwai daida* (1178; repr., Taipei, 1975) and Zhao Rugua's *Zhufan zhi* (F. Hirth and W. W. Rockhill, trans., *Chau Ju-kua* (St. Petersburg: Printing Office of the Imperial Academy of Sciences, 1911)).

¹⁰³ Zhou Qufei, *Lingwai daida*, chap. 3.

been discovered in northern Ceylon, along with many pieces of Song porcelain, as the result of archaeological expeditions in 1911 and 1949.¹⁰⁴ Similarly, much Song porcelain has been found in East Africa,¹⁰⁵ Egypt,¹⁰⁶ the Persian Gulf,¹⁰⁷ Istanbul,¹⁰⁸ Mesopotamia,¹⁰⁹ the eastern coast of the Mediterranean, and India. Song ceramics are also widely distributed throughout East Asia, particularly in Japan. Kamakura Japan was probably the largest importer of Chinese porcelain and copper coins.¹¹⁰ Some scholars argue that the cargo of more than 10,000 pieces of porcelain found in the remains of a Chinese junk sunk off the southwest coast of Korea must have been on its way to Japan and the Philippine Islands. Korea at that time did not need these products, because its own ceramic industry could meet most of the domestic as well as the foreign demand. A large number of Song porcelain has also been discovered in the Philippine Islands,¹¹¹ Sarawak in North Borneo,¹¹² Singapore, and Malaya.¹¹³

Song copper coins have been found in Ceylon, East Africa, the rim of the Persian Gulf, and Malabar Coast.¹¹⁴ Since the main international currency for the settlement of trade accounts was bullion, the circulation of copper currency was

¹⁰⁴ D. H. Devandra, *Guide to Yapahuva* (Colombo: The Ceylon Government Press, 1951).

¹⁰⁵ G. Mathew, "Chinese porcelain in East Africa and on the coast of South Arabia," *Oriental Art*, n.s., 2.2 (1956): 50–55.

¹⁰⁶ Mathew, "Chinese porcelain in East Africa on the coast of South Arabia," 50–55.

¹⁰⁷ Sakurai Kiyohiko, "Perusha wan Minabu fukin no Chūgoku tōjiki" [Chinese porcelain excavated at Minab on the Strait of Hormuz], in *Tōzai bunka kōryūshi* (see note 21), 276–298; R. L. Hobson, "Pottery fragments from Southern Persia and Northern Punjab," in *Archaeological Reconnaissances in North Western India and South Eastern Iran*, by A. Stein (London: Macmillan, 1937), Appendix A.

¹⁰⁸ J. A. Pope, *Fourteenth-century blue and white: A Group of Chinese porcelains in the Topkapu Sarayı Müzesi, Istanbul* (Washington: Freer Gallery of Art, 1952).

¹⁰⁹ Friedrich Sarre, *Die Keramik von Samarra* (Berlin: D. Reimer, 1925); Mikami Tsugio, "Chūgoku tōji to Isuramu tōji no kankei ni kansuru nisan no mondai" [Some problems concerning the relationship between Chinese and Islamic ceramics], *Seinan Ajia Kenkyū* 14 (1965): 6–7.

¹¹⁰ Kamei Akinori, "Sōdai no yushutsu tōji: Nippon shutsudohin o chūshin to shite" [Song period export ceramics to Japan: The archeological record], in *Sekai tōji zenshū*, vol. 12 (Tokyo: Shōgakusan, 1978); Mori, *Nissō bōeki no kenkyū*, 474–489.

¹¹¹ Cheng Te-k'un, "The study of ceramic wares in Southeast Asia," *The Journal of the Institute of Chinese Studies of the Chinese University of Hong Kong* 5.2 (1972): 295–338; L. Locsin and C. Locsin, *Oriental ceramics discovered in the Philippines* (Tokyo: C. E. Tuttle, 1967).

¹¹² Cheng, "The Study of ceramic wares in Southeast Asia," 305, 306; T. Harrison, "Trade porcelain and stoneware in South East Asia," *Sarawak Museum Journal* 10 (1961): 222–226.

¹¹³ Cheng, "The Study of ceramic wares in Southeast Asia," 297–299.

¹¹⁴ Henry Yule, ed. and trans., *The book of Ser Marco Polo*, 3rd ed., rev. by Henry Cordier (London: John Murray, 1903; repr., 1920), vol. 2:337.

quite limited. Cambodia imported Song copper coins, according to the Chinese sources as a luxury item for use by the upper classes.¹¹⁵ In Java they were used to some degree as a medium of exchange.¹¹⁶ In Japan, too, they were widely used as legal tender. In the early eleventh century, when Japanese government control over maritime trade with China was relaxed, there was an increased demand for the import of Chinese coins. This demand was further stimulated by the rapid growth of domestic industries in central Japan and by the increased monetization of Japanese society.¹¹⁷ Regular trade between the two countries thus developed.

In sum, there was a steady increase in regular overseas trade between China and its surrounding countries. Japan, for example, provided gold, silver, copper, sulfur, mercury, medicines, lumber, pearls, steel swords, and fine furniture, while China reciprocated with silk, silk brocade, cotton cloth, aloe wood, sandalwood, ambergris, materials for fine furniture, books, dyes, porcelains, and copper coins.¹¹⁸ China's official maritime trade with Korea was frequently interrupted by political tensions between the two countries. The private overseas trade, mainly conducted by Chinese vessels, thrived from the early eleventh century. The main items exported by Korea were silver, lacquerware, matting, copper ware, celadon, pongee, linen, fur, musk, dyes, ginseng, and medicines, while China exported myrrh, incense, spices, rhinoceros, horns, ivory, rare birds and flowers (all from Africa and Southeast Asia), silk, mercury, and books.¹¹⁹

China's export of goods to Southeast Asian countries, as recorded by Chao Jukua, may be summarized as follows:¹²⁰

silver and gold	Cambodia, Srivijaya, modern Malaysia, Sumatra
silk, silk brocade	Srivijaya, modern Malaysia, Java, Malabar, Burnei, Phillippines
procelian	Champa, Cambodia, Srivijaya, modern Mallaysia, Java, Burnei, Phillippines, Zanzibar
lacquerware	Champa, Java, Burnei
parasols	Champa, Cambodia, Burnei
ironware	Srivijaya, modern Malaysia
matting	Champa, Burnei

¹¹⁵ Chen Zhengxiang, *Zhenla Fengtu ji de yanjiu* [A study of Zhenla Fengtu ji] (Hong Kong: The Chinese University of Hongkong, 1975), 58.

¹¹⁶ See J. V. G. Mills, trans., *Ma Huan: Ying-yai Sheng-lan, The overall survey of the ocean's shores* (Cambridge: Hakluyt Society, 1970), 86–97.

¹¹⁷ Mori, *Nissō bōeki no kenkyū*, 474–489; Akiyama Kenzō, “Sōdai no Nankai bōeki to Nissō bōeki tono renkei,” *Shigaku Zasshi* 44.12 (1933): 1487–1528.

¹¹⁸ Mori, *Nissō bōeki no kenkyū*, 263–279.

¹¹⁹ Mori, *Nissō bōeki no kenkyū*, 280–292.

¹²⁰ See Hirth and Rockhill, *Zhufan zhi*.

silk fans	Champa
leather drums	Cambodia
glass and pearl ware	Burnei
coshineal	Burnei
wine	Champa, Cambodia, Srivijaya, modern Malaysia, Philippines, Burnei
rice	Srivijaya, modern Malaysia, Philippines
suiger	Champa, Cambodia, Srivijaya, modern Malaysia
salt	Burnei
Indian red	Java

The Song dynasty was eager to obtain spices and incense.¹²¹ Frankincense from east Africa and west Asia was most in demand, followed by aloe wood, sandalwood, cloves, and pepper. The Chinese definitely preferred aloe wood out of the different types of incense.¹²² It was much more suited to their taste and was more accessible. South China, Hainan, North Vietnam, Malaya, and Sumatra all supplied it. Frankincense and other perfumes or incense reaching Chinese ports by sea were often transshipped to neighboring countries. There was a steady demand for pepper among the general populace and the upper classes,¹²³ but China consumed less of that spice than the West.

A wide variety of commodities flowed into China via the sea trade: incense (including amber, myrrh, and musk in addition to those mentioned above), spices (including nutmeg and cassia), cotton, yellow wax, rhinoceros horns, ivory, pearls, silver and gold, tortoise shells, and sulfur. The Song exported silver, gold, silver and gold ornaments, copper coins, copperware, tinware, lacquerware, ironware, mercury, pottery, porcelain, silk, silk cloth, linen, matting, books, and stationery.

The question of the balance of trade in the sea trade is difficult to ascertain. Since few official records have survived, there is no way to answer the question with confidence. The Song must have profited from the tremendous number of porcelain and copper coins it sent abroad. On the other hand, there was a continuous outflow of Chinese silver and gold into the tropics, resulting from the excessive import of luxury items, such as incense and spices.¹²⁴

¹²¹ Lin Tianwei, *Songdai xiangyao maoyi shikao*, 166–215.

¹²² Yamada Kentarō, *Kōryō no michi* [The spice road] (Tokyo: Chūō Kōronsha, 1977), 157–205.

¹²³ Shiba, *Commerce and society in Sung China*, 206; Yamada, *Tōzai kōyakushi*, 319–333.

¹²⁴ Xu Zizhi *tongjian changbian*, chap. 85:19b.

Conclusion: The Organization of Song Foreign Trade

Large-scale trade was often initially unorganized, hazardous, and seasonal; and merchants were for the most part itinerants. These traders needed to pool their resources to raise the capital to carry on trade by sea or land.

Temporary partnerships were formed by merchants and sailors for trading ventures in Korea, Japan, the East Indies, and Southeast Asia. Wealthy merchants often hired agents to manage commercial ventures for them.¹²⁵ For example, the Muslim from Southeast Asia who owned eighty seagoing vessels clearly had to employ agents or hire out the ships.¹²⁶ In at least one instance, a Yuan dynasty law code distinguished between financial backers, owner of the ship, and the person immediately in charge of any overseas trading venture when considering punishment for misconduct.¹²⁷ Under the Southern Song a kind of collective ownership was formed among shipowners in Mingzhou 明州, Wenzhou, and Taizhou 台州.¹²⁸ Crude forms of *commenda* and *sociteas maris* were also founded.¹²⁹ In a *commenda*, a wealthy person or a merchant entrusted money or goods to another merchant, who then used it for commercial purposes.¹³⁰ The *societas maris* differed from the *commenda* in that the capital employed was at least partially supplied by merchants who participated directly in managing the venture. The profits in this temporary arrangement were shared in proportion to the sum invested by each partner.

Trade, however hazardous and mobile, obviously could not be conducted without fixed markets. With the growth in size and scope of foreign trade, there emerged many fairs, which combined the international wholesale and retail trades.¹³¹ The great fair at Shaoxing 紹興 provided a place for the exchange of such luxuries as jade, while silk, pearls, rhinoceros horns, perfume, expensive medicine, silk damasks, lacquerware, Buddhist books, paintings, bells, tripods, ritual vessels, and amusing rarities.¹³² Fairs specializing in incense and medicine are found in Hangzhou, Kaifeng, and Chengdu 成都 (Sichuan).¹³³ For example, Du Zheng, who lived around the beginning of the thirteenth century, had this to say about the autumn medicine fair in Chengdu:

Upon arriving by palanquin at the Medicine Fair, our bearers' keens are caught

¹²⁵ Shiba, *Commerce and society in Sung China*, 189–201.

¹²⁶ Shiba, *Commerce and society in Sung China*, 28.

¹²⁷ Shiba, *Commerce and society in Sung China*, 28.

¹²⁸ Shiba, *Commerce and society in Sung China*, 28.

¹²⁹ Shiba, *Commerce and society in Sung China*, 191–200, 31–34.

¹³⁰ Shiba, *Commerce and society in Sung China*, 191.

¹³¹ Shiba, *Commerce and society in Sung China*, 156–164.

¹³² Shiba, *Commerce and society in Sung China*, 159–160.

¹³³ Shiba, *Commerce and society in Sung China*, 161–163.

in the press of the crowd. Little by little we inch our way up to the gate, already surrounded by a variety of goods. Passing the arcades under careful scrutiny, there is such profusion it cannot all be detailed: Orpiment, seeds of aconite piled on mats on the ground, ginseng and glutinous millet waiting on tray after tray. Mica and frankincense the color of sparkling crystal, aloe and sandalwood wafting their fragrant scents. The river herbs thick and dense. From the aquatic genera come leeches. Some things are costly, such as cinna-bar... others are bitter, like sulphate of copper ... some are old like pemmican and mince-meat pickled in brine. Some fresh, like dates and chestnuts. Many are products of barbarian tribes, yet all have come to answer China's needs. Merchants have buffeted the winds and the waves, and foreign merchants have crossed over towering crags drawn onwards by profits to be made... Six thousand ounces of silver is the least they carry, and sometimes as much as two thousand ounces of gold. The fair begins in the earliest hours of the morning, and closes in the last hours of dusk. Here come the rich and powerful with numerous bond-servants ... carriages and horses in grand array, scattering in clouds of dust. When evening comes they drink until completely drunk, then go home, their bags and boxes bulging.¹³⁴

Long-distance trade commodities were sold at huge fairs. Then the medicines and incense were re-distributed to local markets by petty itinerant dealers, in many cases Taoist priests who made their living by trading in medicines, incense, and stationary.

The booming international trade under the Song was by no means isolated or exceptional in China's economy. It was, in fact, accompanied by a substantial development in overall commercial organization.

The main mechanisms for China's official trade with the rest of the world were engaged in the tributary system and border markets (including the Office of Overseas Trade). On the whole, both of these mechanisms worked rather well. In a period when China was relatively weak, the tribute system's ritual or cultural value was generally less appreciated by her neighbors than in Tang times. Still China's rich resources and cultural achievements attracted neighboring peoples, who continued to send envoys to the Middle Kingdom. China's neighbors were interested not only in pecuniary gain, but also in maintaining cultural contacts with the Middle Kingdom. They were eager to learn about China's refined life-style, organizational skills, metallurgy, navigational techniques, methods of warfare, textile manufacturing, earthenware industry, astronomy, medical science, philosophy, and, to a lesser extent, religion. At the same time, once the scope of trade relations was enlarged by improvements in transportation, the economic value of the sys-

¹³⁴ Shiba, *Commerce and society in Sung China*, 162–163.

tem was bound to increase. Developments in transportation enabled seafarers from Arabia, India, and Southeast Asia on the remote periphery of the Chinese world to come in and trade.

China's trade with the Liao, the Xixia, and the Jin was accompanied by political and diplomatic relations which the Chinese found humiliating; the balance of trade with its northern neighbors was favorable to the Song. Despite its military weakness, the Song benefited from its commercial relations with the northerners. To improve its economic position, it began to use copper currency, mint coins on a vast scale, issue paper money, increase its bullion reserves, monopolize highly marketable commodities and relax strict control by every means at its disposal to increase national wealth through the expansion of trade. This resulted in rapid economic development, a booming trade with its neighbors and thus the gradual eclipse of the tribute system by trade.