

5: STATE AND MARKET IN WARRING STATES CHINA¹

a. What was radically new about the economic life of the Warring States period territorial states? In what ways were the radical novelties in the economic relations among the people of the several independent states moving the states toward economic unity?

b. What was radically new about the internal political organization of the Warring States period territorial states? In what ways were the external relations of the warring states moving ancient China toward a larger scale version of the unity of northern Zone B imposed by the Zhou conquest?

Two new phenomena appeared at both ends of Eurasia along with the transitions into the first high civilizations of ancient times.

The first was a more sophisticated market, one in which specialized moneys called coins came to be made by the merchants to supplement and then replace money commodities to become the dominant media of exchange, thereby almost entirely replacing the exchange of goods for goods. Economic exchange using the specialized private coins began to catch; up with political exchange—the exchange of tribute given to the rulers in exchange for gifts given by the rulers to some of their subjects and spiritual validation to all of his subjects. This brought monetized economic exchange to the rulers' attention. Before long, the rulers wanted in on the profits of economic exchange. At the very least they wanted to take over from the merchants or at least license (for a fee) their manufacture of coins.

The second, more purely political, development came later, as the climax of the first stage of high civilization. This was the evolution of universal states—states so large that their boundaries extended to or just beyond the cultural boundaries of their civilization itself.

A. Evolution of the Market and Money

1. Evolution of the market

a. essence of market exchange

“Market” is a somewhat more abstract term than you might at first think. A market is any place where or occasion when two or more people come together to engage in some sort of economic exchange.

For example, suppose we have Thirdson Zhang and Fourthson Li (the Chinese equivalent of “Tom and Dick” in our phrase “any Tom, Dick or Harry”). These two commoners have no right to expect any other commoner to pay *them* tribute or any ruler to give *them* a gift. They provide tribute too their ruler in exchange for being put right with the gods and being protected against roving people-stealers. If they exchange goods with each other, it is for purely economic reasons. Each has a “value scale” on which he ranks goods he might want to acquire by giving up some other good he already has, also ranked on his value scale. Zhang, for example, would like to have an apple (symbolized by parens around that line on his value scale) rather than retain the orange he does possess:

Thirdson Zhang's Value Scale

1. (One apple)
2. One orange

Who can he find to provide him with an apple? Zhang will have to nose around the market until he finds Fourthson Li, whose value scale looks like this:

Fourthson Li's Value Scale

1. (One orange)
2. One apple

Notice that these two value scales contain identical goods, but rank them inversely.

Economic exchange can occur whenever people like Zhang and Li come together, make known their value scales to each other, and notice this reciprocal identity of evaluations. Li offers his apple to Zhang in exchange for Zhang's orange. At the conclusion of the exchange both are happier than before. Both have risen one rank on their value scales.

For *any* economic exchange to occur, *all* participants must anticipate that they

will be happier after than before the exchange. A person who expected to wind up lower on his value scales as a consequence of a possible exchange, would not make that exchange in the first place.

b. contrast with political exchange

The situation is more complicated and ambiguous with a political exchange, the first form of exchange to become widespread. Long before much economic exchange could have arisen over the horizon from early rulers, the first rulers would have begun political exchange, perhaps inspired by primitive gift-giving to the spirits of sacred places.

As far back as Upper Paleolithic times, a peculiar form of gift exchange was being made. Two small human groups with adjoining migration circuits might each leave a gift for a spirit embodied in a certain sacred location shared with the nother group. Both groups might visit the sacred location either seriatim or simultaneously and might symbolically share their gifts with each other as well as with the spirits. (The spirits might consume the smoke, the people the sacramental meat or the obsidian to make knives to carve the meat.) Such gift exchanges were limited by their religious context.

From Late Neolithic times, the first states' rulers rang a significant change on such sacred gift-giving. Instead of dealing directly with the gods, all the ruled gave tribute to the ruler, the beloved of the gods. In exchange, the ruler might only provide his subjects with assurance that he was putting them right with the gods. When the occasion called for it, he might also provide protection from external enemies and from internal practitioners of violence and fraud. To assure their loyalty the ruler would likely also use some of the tribute goods to make gifts to his uncles and cousins who were big men of strategically located villages.

The gift of protection (spiritual and otherwise) received by the ruled differed from the private goods he might exchange with another commoner. The ruler's offering to the ruled was indivisible. It came as a single public good—connection with Heaven and the protective consequences of that connection. The ruler's possession of his link to Heaven does not diminish when he shares it with his subjects. However, the tribute provided by fellows like Zhang and Li comprises specific private

¹ 1st draft, 4/94; 4th rev. 10/98, by Edward Kaplan.

goods that come in discrete units (*one* apple, *one* orange). They must forgo consumption of these goods when they give them to the ruler in political exchange for the indivisible public good.

Nor is haggling a realistic prospect. It would be impious of Zhang or Li to express a desire to pay the ruler only half an apple or a quarter of an orange to “purchase” being put right with the gods. It would be absurd for them to be willing to accept from the ruler being put right with only half the gods or being protected from only half the aggressors in exchange for that reduced price. Indeed such proposals would literally be inconceivable until economic exchange had been added to political exchange and gotten people used to exchanging units of different specific goods for each other.

c. political precedes economic exchange

Economic exchange did not become common enough to leave signs in the archaeological or textual records until well after the rulers had created a zone of civil peace that extended over the horizon from the ruler’s field of view. Only within this zone would people feel secure enough from threats of violence to risk bringing their surpluses to a common location for exchange with other non-rulers’ surplus goods. Only over the horizon from the ruler’s field of view could economic exchange gain a foothold without being banned by a ruler jealous of his privileges.

Many of the most specialized goods later subject to economic exchange may well have first been produced as objects to be offered as tribute to the ruler. Surplus bronze and bronze pots and ceremonial implements, strings of cowry shells, or ceremonial pottery, might be the first objects widely and highly enough valued to be worth the trouble of carrying to a market. Such objects are also more likely to leave traces for the archaeologists than more everyday objects (apples and oranges) for the ruler’s larder.

People who specialize even part time in producing for the ruler will likely have more status than other people outside the ruling class. They will probably also be among the first to produce surpluses. Specialized practice makes perfect. They will be among the first to be tempted to use these surplus tribute goods in economic exchange with other non-rulers or lesser members of the ruling group who might want to imitate their ruler.

The more successful the ruler is in expanding his state, the larger the zone of civil peace he creates. The more people he rules, the greater the variety of goods he can hope to get from them as tribute. It will also be more likely that commoners will find in the markets others with value scales like their own except that many pairs of goods on other people’s value scales are in reciprocal order.

Also, the larger the state, the more likely it will be that market exchanges can be conducted over the horizon from the ruler or his agents, who might not approve of tribute goods finding their way into the plebian hands of every Thirdson Zhang and Fourthson Li.

d. evolution of the market in China

The absence of fairly large local states might explain the lack of evidence for economic exchange until (in China, at least) the Middle Bronze age. We get the first hints of market exchange in the archaeological record when Shang began to fitfully expand the size of its state after the shift of the capital north of the Yellow River to Great City Yin.

This is not to say that economic exchange could not have occurred earlier. It is just that there was likely too little of it to leave sufficiently conspicuous signs in the archaeological record for us to notice what was occurring. We cannot distinguish economic exchange from gifts to the gods shared with passersby or from political exchange not yet accompanied by written records.

The Zhou feudal empire further expanded the sphere for economic exchange by creating an even larger and steadily growing state. It also distributed a limited measure of sovereignty to the local rulers (the vassals). This broadened the zone of civil peace to include the areas between fiefs as well as the space within the fiefs.

Specialized Zhou vassals sent out from the capital carried tribute from and gifts to the vassals. They could travel more securely between fiefs than Shang diplomats earlier could have moved between independent small states. Hence these tribute-carrying vassals could more easily have added economic to political exchange in their dealings with the vassals, the vassals’ housemen and the commoner tribute-producing craftsmen living near the vassals.

Such opportunities would have multiplied with the proliferation of subfiefs of

growing feudal principalities during the defeudalization stage of the feudal process. These political redistributors-merchants could link subfiefs of one principality to subfiefs of other principalities that they visited on their rounds through economic exchange. Subfiefs of different feudal principalities were not supposed to be directly linked through political redistribution. That would have destabilized the political hierarchy. Economic exchange filled gaps that political exchange could not or was not supposed to fill.

e. contrast of China with West Eurasia

The diplomats of the early states of Western Eurasia were probably able to get out of sight of their rulers to add economic to political exchange sooner and more completely than their Chinese equivalents could. The Mediterranean Sea and the Arabian desert were empty and easily crossed. This emptiness effectively shielded the diplomats from their own rulers.

That may be why we have clear evidence of economic exchange in West Eurasia as early as the 3rd millennium, if not before then. Similar evidence does not show up in China until the late 2nd millennium.

In North China, when a Shang diplomat left Shang territory, he immediately entered the land of another similar ruler. The desert of A2 (the Gobi) led only to the hostile and much less well developed pastoral-nomads. The great lakes of B4 were much smaller than the Mediterranean and their shores were dominated by culturally alien and increasingly hostile Man states of the south.

Trade with Korea and Japan was also a non-starter in early times. Japan was too far away over open ocean subject to powerful storms, and both Korea and Japan were far behind China in development until Medieval times.

2. The evolution of money

a. from marketable commodity to money and then coins

Once the Chinese had begun to engage in true economic exchange frequently enough and conspicuously enough for us to notice, they progressed to the next stage as quickly as the Westerners did. Money commodities soon appeared. Further specialization of these money commodities into private and then state-made

or state-licensed coins occurred at about the same time as in the West.

Once barter—the economic exchange of goods for goods—becomes common, it only takes a few centuries at most before participants in the markets notice that some goods are far more widely valued than others. Most people soon become willing to accept these goods in exchange for what they have even if they have no real use for them. They are confident that they can easily exchange them for the goods they do want to actually use. Such goods in effect become monetary goods, or money for short.

Cattle are among the earlier monetary goods, but not the best ones. You cannot make change with them without butchering them, and they are too bulky and slow-moving for convenient transport on the hoof. Gold, silver, copper (and bronze) are better in these respects. They soon become the preferred moneys.

b. West Eurasia vs. East Asia

In several Western religious traditions, gold and silver were associated with the sun and moon. This made them even more widely marketable than did their rarity and suitability for jewelry. The two precious metals are also soft and therefore easily divisible at the moment of making a transaction. Hence the additional expense of turning them into standard weight objects (i.e. coins) could be postponed for several thousand years. By the 1st millennium BC the number and variety of market exchanges had grown large enough in the budding first stage high civilizations to make such standardization worth the trouble and expense.

In China, however, apparently for geological reasons, gold and silver were much scarcer. Elemental heavy metals are pushed close to the surface of the soil only above places where tectonic plates are grinding together, as along the shores of the Eastern Mediterranean. Such conditions are not found in East Asia anywhere closer to China than Japan and Korea.

The absence of such conspicuous money commodities as gold and silver in China makes it still harder for us to detect the existence of markets in their intermediate money-using stages of development. Only when coins appear can we be sure that economic exchange is going on.

c. the transition to a monetized market in China

However, when the Chinese finally caught up with the West in the course of the Western Zhou period, they appear to have made up for lost time.

Indirect and ambiguous evidence for the existence of specialists in trade and perhaps even for coined moneys finally shows up for late Shang (Yin) times.

The *Book of Documents* uses what may be the word for “merchant” (*shang* 商) to describe the disguise assumed by the father-in-law of King Wu, the Duke of Qiang. The Duke supposedly disguised himself as a *shang* while spying on the Shang territory to make sure their main army had, as reported, gone off to the east. The trouble is the word for “merchant” is and was both a homonym and homograph for the name of the Shang Dynasty. So the book may merely be saying the Duke disguised himself as a Shang Dynasty person.

By late Western Zhou times, however, the word *shangren* 商人 unambiguously meant “merchant.” So it might (or might not) already have had that meaning three centuries or more earlier.

Glossing *shang* as “merchant” is rendered more plausible by evidence for commodity moneys finally turning up either just before or not long after the Zhou conquest. Use of commodity moneys presupposes several preceding centuries of barter and the existence of merchants who noticed the wide acceptance of any candidate money commodity and started using it as a money.

Some 19th century German economists believed in the doctrine of “nominalism.” Nominalists assume that money was *first* created by the early rulers who then ordered people to gather in markets which they also created out of thin air. However, nominalism really does not make much sense. What gave the rulers the idea of inventing money and markets? How did they get people to start going to markets, particularly those at a distance?

It is simpler to assume that unbeknownst to their rulers people engaged in barter for some time, and eventually moved on to using uncoined and then privately coined money. State control of coinage likely came relatively late, when the rulers finally noticed what was going on and jealously insisted on muscling in on the coin-making trade. This last step only occurred just as China was complet-

ing its transition into high civilization.

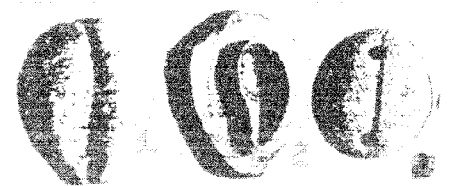
Once a particular state’s market had adopted money, the ruler of a neighboring state with only a barter market might skip several stages of development and start manufacturing coins before his people had begun to use foreign coins. However, such a project might not succeed until at least *some* of his own subjects had begun to engage in economic exchange using the market-created foreign coins.

Some people may exaggerate the plausibility of the nominalist position because the earliest users of monetary commodities tend to be closely connected with the state. Hence they value things linked to the state or to the vision of Heaven represented as the Earthly form of the state. That accounted for the use of gold and silver as money commodities in the West.

China, lacking much gold or silver, mostly used bronze objects as its money commodities instead. Through Shang and most of Western Zhou times, artisans working for the state as tribute goods producers produced all or most of the bronze. Uncoined bronze might have been an early monetary commodity.

Cowry shells may (or may not) have been an even earlier monetary commodity in China. Cowries have served as money commodities in a number of early cultures. The species used in China was *Cypraea moneta*, a warm salt water cowry that came from the east coast. Local states of subzone C1 presumably sent these as gifts, just as they did the sea turtle plastrons used as oracle bones by Shang.

Cowry shells were scarce enough to be potentially valuable. Their slit sides resembled human female genitalia, which made them useful as religious symbols of fecundity. A symbol of fecundity can also be a symbol of profit in general. Shang aristocrats were often buried wearing cowry necklaces.



1. Genuine cowry, slit side & hump side (with hump filed down to reveal hole). 2. Slit side of mother-of-pearl artificial cowry. (Peng, Xinwei, *A Monetary History of China*, pl. 1.1.)

By either late Shang or early Zhou times, artificial cowries were being made of bone, stone and bronze, sometimes wrapped in thin gold leaf.

There is also one (and only one) brief inscription on a late Shang ceremonial bronze stating that the king gave its owner two strings of cowry. This man “used” (*yong* 用) these cowries to have this particular bronze vessel cast in the royal workshops.

We cannot tell if this represents use of cowry as a kind of monetary commodity. Note that the inscription does not use the word “buy” (*mai* 買), which does not appear in written Chinese until late in Eastern Zhou times.

If this was not a report of a purchase, what could it have been? Perhaps strings of cowry were used as pseudo-moneys—as “bronze stamps” for aristocrats—much as “food stamps” are now issued to certifiably poor people, but only to be exchanged for certain kinds of food.

If cowries were after all being used as money commodities that early, they must have soon gone out of use. Cowry-shaped coins only reappeared in the late 5th or early 4th century BC, and in the south, in B4, Chu territory, rather than in the fulcrum subzone which was the center of Shang civilization.

Another type of bronze object became the preferred monetary commodity some time during Western Zhou times. In sites roughly datable to at least the 10th century BC, the free enterprise archaeologists digging to supply the Chinese antiquities market earlier in the century found small bronze shovels and spades in Zhou sites.

The seemingly oldest ones have no inscriptions and are just big enough to have been used for ceremonial digging, as in the spring ceremony in which the lord turned over the first furrow.

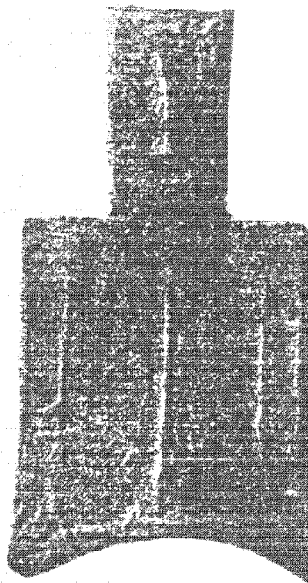


A small, unscripted bronze spade of Zhou times. Similar spades three times this size are extant. (Wang Yuquan, *Early Chinese Coinage*, pl 3)

By the 7th century, such implements, mostly spades by this time, with two “legs” for cutting into the ground, had become far too small to actually be dug with, though they still had hollow sockets into which very small handles could have been fitted (but apparently were not).

They also bear short inscriptions. Usually these are a numeral and/or a character signifying a unit of weight, and often the

names of one or another subfeudal town of the feudal principality of Jin (晉).



Hollow-socket, inscribed spade coin. (Peng, p.49)

Jin was located just north and west of Loyang. Within its fulcrum subzone territory intersected the main north-south and east-west lines of transportation. This made it an economic center from early times.

The calligraphy of these inscriptions is usually much cruder than that found in the inscriptions cast onto ceremonial bronze vessels made for the aristocracy.

There is no other way to explain these objects than as coins manufactured by literate commoner merchants. These merchants must have worked for or held informal licenses granted by the local subvassal. Perhaps both artisan-merchants and subvassals were trying to bypass the duke of the feudal principality of Jin, whose capital lay over the horizon from the subfeudal town where the coins were made.

Once coins were available, market exchanges became more convenient and hence more numerous. To accommodate the increased number of exchanges, merchants manufactured more coins. By the end of Spring-Autumn times the numbers of coins that turn up in the strata begin to double for each succeeding generation. Economic exchange began to bulk larger relative to political exchange.

By the beginning of Warring States times, markets began to attract the notice of the feudal principalities’ rulers. Now more powerful than before, these regional rulers wanted to increase their power still

more by grabbing control of the manufacture of coined money and increasing its supply still faster.

The efflorescence of ancient China’s monetary economy had begun.

It is perhaps no coincidence that the beginnings of the Chinese Iron Age coincide with the efflorescence of its monetary economy. Traditionally, iron is associated with Qi, but Donald Wagner has recently argued that it may well have first been used in Wu, just south of Qi’s sphere of influence, because markets were more common in Wu. Private smelters began by making tools of bronze (apparently the only place in China where private smelting and bronze tools were common), and when bronze proved unsatisfactory, they noticed that cast iron, a byproduct of the copper ores they used, and which they had been discarding, made better tools.

d. comparison with West Eurasia

At just about the same time a similar transition was taking place amongst the Greek city-states on the coast of Asia Minor (the east coast of the Mediterranean). This was during the 8th and 7th centuries BC.

There were some significant differences in coin technology between East and West. The first Greek coins were made of electrum, a naturally occurring alloy of gold and silver. They were stamped by a die rather than made of bronze and cast in clay molds as were the Chinese coins.

This reflected an abiding difference in technological styles in general between East and West Eurasia. Even to shape Neolithic pottery and later to smelt metals, the West banged energetically on its raw materials while expending prodigious quantities of fuel by roasting them in open fires. The East pressed its clay into molds and saved fuel by baking its pottery and smelting its metals in enclosed chambers above separate firing chambers..

These technical differences were paralleled at the esthetic level. Stamped Greek coins had amorphous outer edges because the soft metal squished out from the edges of the dies. Cast Chinese coins had precisely delineated outer edges. Early on the Chinese even raised the outer edges to discourage coin clipping that private coiners used to obtain metal for their non-public coins. Greek coins bore pictures of gods and rulers. The Chinese coins then and later bore only Chinese

characters, though eventually coins cast by one government might employ a wide variety of calligraphic styles from different periods.

3. Warring States efflorescence of coins

a. Jin & the spade-coin sphere

Jin, where the first Chinese true coins appeared, grew up in the fulcrum subzone. From its beginnings during Western Zhou times Jin's rulers were favorites of the Zhou kings. The early dukes of Jin married into the royal clan which granted them choice territory in the western part of the fulcrum subzone.

This was long before the move of the main capital from Xi'an east to Loyang. Jin became even more important when the main capital was established close by. Its dukes became the chief protectors of the much weakened Eastern Zhou court.

Thereafter, Jin gradually expanded its territory north of the Yellow River along the line of the Taihang Mountains and the foothills and plains to the east and west of that line. This increase in size further increased Jin's political power until in the course of the late 7th century BC it became the leader of the feudal lords.

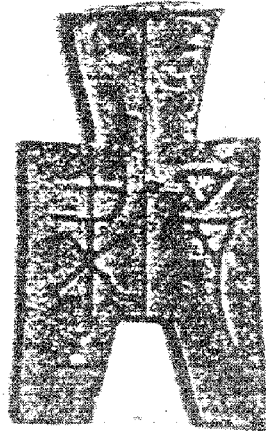
And yet, until quite late, coins came from the private sector rather than directly from the state. The name Jin never appears on any of them. Only the names of Jin subchief towns appear.

Use of these spade coins spread well beyond the places that manufactured them. Jin's expansion created a number of new subchiefs over the horizon from the powerful Jin rulers. For that reason Jin's subchiefs could more easily engage in trade with each other. This expansion also extended Jin's control over the main north-south and east-west routes of transportation. This further stimulated movement of both coins and goods into and out from Jin territory.

These two great axes, constituted a rough set of Cartesian coordinates on the map of China.² They were also important politically and militarily both during ancient times (See section B below) and since. North China's two main railroad trunk lines still follow these two lines.

Because they had access to all the

main interregional lines of communication, the merchants of Jin and its successors in and near the fulcrum subzone were in a very good position to become ancient China's most wide-ranging and prosperous merchants. The money they created and used spread to become the money of other regions as well. This established a measure of economic and cultural unity well before Qin's conquests provided political unity.



A Liang-one spade coin of Warring States times. Note that the hollow socket has become a flat handle. (Peng, p. 56)

Spade coins not only were the earliest coins to appear in China, they became distributed most widely, carried by merchants into B1, the borders of B2, and even south into the alien territory of B4. This made them the most important instrument promoting the economic unity of China during late antiquity.

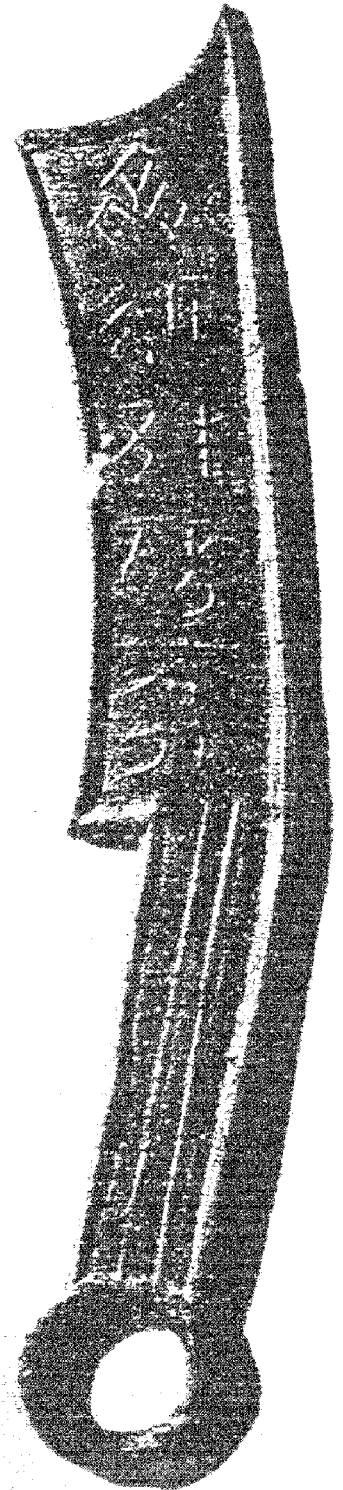
b. Qi, Yan & the knife-coin sphere

Spade coins were soon no longer the only coined money. Both in the state of Qi (in the B2-C1 border zone on the Shandong peninsula), and in the state of Yan (in the northern part of B2), objects made in the shape of knives began to be used as coins some time during Spring-Autumn times.

Qi was the most powerful state in the east. From its founding at the beginning of Zhou it dominated the Shandong peninsula. During the early 7th century it expanded its influence west and south to counter the power of the alien states of B3 and southern C1.

Yan had been the great marcher principality of the north ever since the Duke of Zhou sent his brother, the Duke of Shao, to found it not long after the conquest of Shang. Yan fought and traded

with the proto-Korean peoples beyond its northern frontiers, as well as with Qi and Qi's allies to its south.



Qi knife coin with raised edges and inscription suggesting it was issued by the Qi principality central government. (Peng, p. 62.)

Perhaps a century or so after shrunken copies of ceremonial bronze spades became coins in Jin, bronze knives long used both within Zone B and as trade ob-

² The dotted lines separating the subzones of Zone B on the map in the frontmatter file of this text approximately track the two coordinates.

jects with A3 underwent an analogous conventionalization. They became knife-coins. This occurred at least by the late 6th century and perhaps earlier, at first in Qi and then in Yan.

The knife-coins retained the same general shape as actual bronze knives, a shape employed as far back as Shang times. There was still an angle between blade and hilt. The hilt ended in a ring, the blade in a point. One or another of these characteristics was often exaggerated in the coin version.

As though to proclaim that these were coins and no longer knives, a raised outer edge ran around the perimeter of the coin, including the cutting edge. This rendered the knife coin too blunt to cut anything.

The raised edge would also clearly reveal any shaving of metal off the edges to make counterfeit coins or sell for other purposes. By late antiquity all Chinese coins adopted the raised outer edge. Western coins did not do so until the late 17th century AD. Of course it was easier to do this with coins cast in molds than for coins stamped with dies.

These knife coins became smaller, and conventionalized in shape faster than did the spade coins. Perhaps that was because they were the first to progress (if that is the word) from inscriptions indicating they were cast privately in subfeudal towns to ones indicating they were cast by or by license of the authorities of the feudal principality itself. One such inscription, for example, reads, "National Coinage of Qi."

Only after this had happened in Qi did principality-issued coins come into being in Jin and the three states into which it broke up at the end of the Spring-Autumn period.

Not coincidentally, it was in Qi that some of the early work in developing the idea of bureaucratic government was done. Qi meritocratic intellectuals were the first to spin mythic tales about how the sage kings of antiquity (Huang Di, Yao, Shun) had invented money and administered it for the good of the people. These stories likely were intended to help justify Qi's takeover of the coinage created by its merchants. It is clear, however, that the monetization of knives was inspired by the spade-coins that trade brought in from Jin to the west.

c. Chu ant-nose cowry & plate-gold

The spade and knife coin zones were

not the only places to create regional moneys during Eastern Zhou times. The state of Chu had crystallized out during late Western Zhou among the Man of subzone B4. Several centuries later its government created what modern collectors call the "ant-nose" or "demon-face" type of bronze coin.



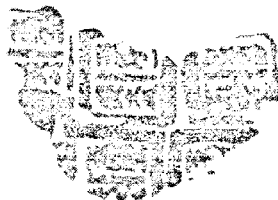
Chu ant-nose coins. (Peng, p. 67)

These somewhat abstract versions of cowry shells were given these names by modern collectors because of their fancied resemblance to an ant's nose or to the face of a demon. The demon's features comprise the characters of the inscription, usually the name of the Chu capital.

These represent the first unambiguous use of cowries as coins, but they only appeared early in the 4th century BC. This was nearly seven centuries after late Shang may (or may not) have begun to use natural and/or artificial cowries as monetary commodities.

Cowry has long been used as money among some non-Chinese tribes in far southern B3. It is possible the Chu bronze cowries were linked to that usage rather than inspired by Shang or early Zhou. However, there are many other signs of political and social influence from the Zhou north on the Man of the south. So late Shang use of cowries could have influenced these much later Chu coins.

Chu also used imported spade coins. Its government even made some of them using its own unit of weight as the denomination indicator. No doubt these were used to pay off debts in international trade with the much more extensive spade coin region.



Rubbing of Chu Plate Gold. (Wang, pl. 43)

Chu employed gold as well, but likely only as a near money, an easily marketable commodity which nevertheless had to first be exchanged for true money to purchase other goods.

Chu "Plate-gold" consisted of hammered sheets of gold. Seals bearing the name of the Chu capital were stamped over most of their surfaces. While pieces of these sheets were broken off for use, the breaks apparently ignored the boundaries of the seals. The pieces were weighed individually at the time of exchange, so we cannot call these stamped coins.

Indeed, they may not have been coins at all. Contemporary written sources suggest the pieces of plate gold had to be brought to market to exchange for bronze coins. The bronze coins were then used to acquire goods. So plate-gold may just have been a kind of branded flat ingot—a highly liquid near money rather than a type of coin.

d. ring-coins and square-holed coins

There were other types of coins in the north of Zone B. Ring-coins existed, but very little is known about them.



Ring coin, inscribed yuan. (Peng, p. 65)

Some numismatists once believed that ring coins were just the broken off rings at the ends of knife coins. But knife coins never bore inscriptions on their rings, and the proportions between rings and holes differed from those on ring-coins.

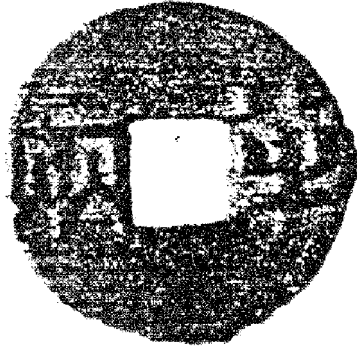
Ring-coins more likely were coin versions of spinning whorls, the weights spinners of thread used to keep fibers under tension while they twisted and released them to "spin" them into thread.

Very few ring coins have been found, and the town names on their inscriptions are not unambiguously identified. They may belong to the no-man's land between the spade and knife coin regions and perhaps date to late Warring States times.

The most important type of coin over the long run was one with a square hole and a round outer shape.

Some people think square-holed coins evolved out of the ring coins, but that does not seem likely because they do not have the same kinds of inscriptions.

Square-holed coins' inscriptions resemble those on certain late spade coins found to the west, most commonly in Qin territory. Qin was the state which eventually swallowed up all the other warring states and created the first Chinese universal state in 221 BC.



A Qin Half-ounce square hole coin. (Peng, p.82)

The best recent guess, made by the monetary historian Peng Xinwei in the 1950s, is that square holed coins are depictions of the Earthly half of the cosmos as seen looking down from the dome of Heaven onto the lower half of the cosmic sphere. This great bowl is filled with salt water. Floating in the midst of this bowl is the square Earth. This divides the salt water into the Four Seas.

This Chinese vision of the cosmos resembles the Mesopotamian cosmos, except that Mesopotamia's Earth is circular rather than square. (The Chinese had envisioned the earth as square at least since early Zhou times.)

This suggests a connection between Mesopotamian and Chinese cosmology, with the Chinese reinterpreting what they had borrowed. Perhaps the Mesopotamian vision of the cosmos came in along with the chariot at the beginning of late Shang times.

All these separate regional coins in China influenced each other at the margins of their spheres of influence. Eventually, and for political and military rather than economic reasons, Qin's square-holed coin, called the Half-ounce, swamped all the others, including the Jin spades which had long since provided a common denominator money for interstate trade.

The ancient period of the monetary economy of China reached its climax with the replacement of all the other types of coin by the Qin coin. Its design symbolized the universality of Qin's power once Qin had conquered all the other feudal

principalities.

d. coin standardization, east & west

This too was not very different from the historical pattern in the West. In both East and West Eurasia true coins appeared more or less simultaneously soon after the 8th century in the no-man's land between state and market.

In both East and West a variety of coins effloresced once the idea of using such specialized moneys took hold and spread. However, the states gradually encroached on the market for control of the coinage.

Eventually at both ends of Eurasia the creators of their respective civilizations' first universal states also standardized coin designs. Alexander's empire in the West standardized coin styles as thoroughly as did First Emperor of Qin's empire in the East. The differences in coin technology and materials apparently did not eliminate the common developmental pattern.

B. Evolution of the State

1. Transition in interstate relations via the hegemony (*bawang* 霸王)

a. weakening of Zhou central authority & challenges on the frontiers

The Zhou central authority rapidly weakened after it fled east in 771 BC. This freed the vassals of the fulcrum subzone and the eastern parts of its periphery to begin swallowing up neighboring small fiefs to fill this power vacuum.

Much of the Spring-Autumn era was a transitional period between Western Zhou times, when the Zhou rulers were still dominant and the later Warring States period when the Zhou rulers lost all power. By Warring States times, the fiefs and feudal principalities had finally either transformed themselves into sovereign states or had perished at the hands of those who had succeeded in making that transformation.

Within a few generations of the move of the capital to the east, the weakness of the Zhou kings was evident to all. Though their prestige was still high, it was obvious the kings could no longer carry out all their former functions. And yet, it was still impossible to imagine who could

legitimately assume these functions.

Competition with the rising power of Chu in the south obliged the feudal principalities to make the first big institutional change in Chinese politics since the Zhou conquest four centuries earlier.

b. the idea of the hegemony

To organize resistance against the alien states on the southern borders, there evolved a peculiar new quasi-legitimate officeholder called the *bawang* 霸王 "hegemon king," or "dictator king." Unlike the Zhou *wang* (legitimate kings), who derived their power from Heaven, the *bawang* had their power delegated to them, at first nominally by the *wang*. Actually they always based their power on their own military and economic strength and strategic geographic positions.

Later on, philosophical writers of Warring States times created another new term to serve as an antonym for *bawang*. They contrasted the *bawang* usurpers with the *zhenwang* 真王—the true or legitimate kings. The latter were rulers with an ethico-religiously based right to govern. The *zhenwang* was Tian's true re-presentative on Earth.

Kings Wen and Wu and their successors of Western Zhou were *zhenwang*. The philosophers of Warring States times concluded that the feudatories who had grasped the title *bawang* during Spring-Autumn times lacked this sort of moral legitimacy.

2. Evolution of the hegemony

a. Duke Huan of Qi & Guan Zhong

The first local ruler of the Zhou feudal empire to put together a successful alliance against Chu was Duke Huan of Qi. Qi was the largest and most powerful state of the east. It was located on the Shantung Peninsula straddling the eastern border of subzones B2 and C1.

Duke Huan reigned from 685 to 643 BC. A history written some three centuries later, which is more a collection of anecdotes for use in speeches than a history, says that he was the first to be formally named *bawang*. There is, however, no other evidence for that having been the case. It may be that he only exercised such powers informally, and his success suggested the formal institution of the office after his time.

Other histories and collections of an-

ecdotes, such as the *Analects* (the sayings of Confucius, written c. 400 BC), ascribe most of Duke Huan's success to his chief minister, Guan Zhong. One other source says Guan Zhong began as a merchant. He then supposedly became administrator of one of the subfeud towns of Qi, and did so well at that job that Duke Huan brought him to the center and made him chief minister.

Unless it is an anachronism, this story suggests that subfeudals were already being coordinated by the center, at least in Qi. It also shows that some subfeudals, and even the government at the center, on this one occasion at least, might be run by members of the plutocratic wing of the ruling class. So plutocrats may have appeared by the early 7th century BC.

In BC 655, Duke Huan led the other major powers of the Zhou feudal empire in an expedition against Chu. Duke Huan was thereby performing the coordinating work that the kings of Zhou could no longer handle. Faced with this coalition, Chu retreated without a battle. Subsequently, we are told, Chu was bullied into pretending to be a Zhou vassal, at least for a time.

Duke Huan and Guan Zhong had put together an east to west alliance of states, running roughly along the boundary separating subzones B1-B2 from B3-B4. This horizontal alliance kept Chu from establishing a vertical alliance extending into northern Zone B.

We are also told that once Guan Zhong died, Duke Huan was no longer the same man, losing both his morale and his efficiency. Still worse, after the duke's death in 643, his sons began to squabble among themselves and invited the rulers of neighboring states to intervene within Qi to settle these quarrels.

These foreign interventions inspired a series of usurpations by subfeudal aristocrats within Qi, and contributed to the eventual overthrow of Duke Huan's line, and the establishment of a new dynasty in Qi. This was the first of a series of new dynasties there and in other states during Warring States times.

As a consequence of these chronic internal quarrels, Qi's power could never thereafter be restored. It remained big and rich. Its extensive iron ore deposits became even more important once iron became the big new industrial metal after late Spring-Autumn times. But Qi could never again get its act together politically.

b. Duke Wen of Jin

The mantle of the bawangship then shifted to the Dukes of Jin, in particular to Duke Wen of Jin, who reigned from 636 to 628 BC. We are told in a fairly early chronicle history that Duke Wen was formally appointed as *bawang* by the nearby Zhou monarch.

Jin's original location in the fulcrum subzone made it well placed to communicate with all the other northern feudatories. It also stood athwart the main invasion route from the south. Its rulers belonged to the Zhou royal lineage and long enjoyed the patronage of their royal kinsmen. After Zhou's move east in 771, the roles of Jin and Zhou gradually reversed, with Jin becoming the dominant partner. With the decline of Qi, Jin's time in the sun had come.

Before this, during the late 8th and first half of the 7th century, Jin had rapidly expanded to the north at the expense of the hard-fighting, Chinese-like Di barbarians. Jin grew very powerful as its frontier expanded. Because its capital remained in the fulcrum subzone close enough to Zhou's Loyang headquarters to have some of the ancient glory of Zhou continue to rub off on it, Jin had a legitimate claim to the hegemon's office.

Both because of their strategic position and their military power, it was easy for the dukes of Jin to take over the leadership of the Zhou states and become the first to receive formal appointment to the bawangship.

c. from hegemony to balance of power

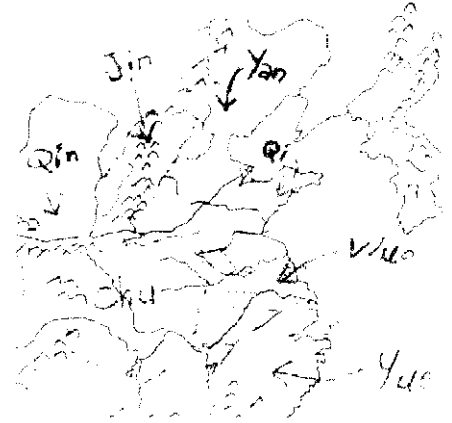
There followed during c. 630-500 BC what amounted to a hundred years war between Jin and Chu. This war was full of surprising twists and reversals of alliances. It provides Chinese history buffs with some of the most glorious (and also nastiest) stories in all of Chinese history. (I must, however, refer you to History 370 for most of the details.)

By the 590s, at least transiently, the King of Chu was formally named *bawang*, thereby reducing that institution to nullity, since the bawangship was invented to check Chu's power. (A modern parallel would be naming a Russian general as commander in chief of NATO. With the disintegration of the Soviet empire, that is now at least conceivable, but it is also as absurd as making the Chu king *bawang*.)

In 587, the Dukes of Jin got the bright

idea of sending technical advisers to Wu, one of the "barbarian" states of the southeast in subzone C2. If Wu could be made into a more powerful military ally, it could attack Chu on its eastern flank while Jin attacked Chu from the north.

This good idea worked all too well. Before long Wu had become so expert at Zhou military tactics that it not only defeated Chu, and occupied Chu's capital, but started invading the north on its own account.



Spring-Autumn Period China. The seven great powers then were (clockwise from the northwest) Qin, Jin, Yan, Qi, Wu, Yue, Chu.

The north Chinese states were saved from this monster they had created by Yue, the state just south of Wu. Yue had picked up some of the same tricks Wu had learned, and while Wu was busy gobbling up Chu, Yue started to devour Wu. Yue's attacks all but destroyed Wu. Unfortunately for Jin and the other northern states, this permitted a revival of Chu.

Chu not only recovered its own territory, it swallowed the territory of both Wu and Yue. This created an enormous empire in the south, but one so culturally diverse that it had to be divided administratively into two parts: Western Chu (the original Chu territory) and Eastern Chu (the areas conquered from Wu and Yue).

This meant that Chu could never again be very efficient or well coordinated. It encompassed two or perhaps three separate cultures, at least two ethnic groups, and perhaps three linguistic traditions. It was much more nearly like the heterogeneous Austro-Hungarian Empire of the 19th century, than like the post-1870 united North German Empire created by Bismarck.

Chu's difficulties anticipated the administrative problems faced by the later Chinese universal state, but because it failed to unify the southern territories it conquered first, it could not conquer the

north, and was unable to finish creating a Chinese universal state.

Jin was not, however, in any position to take advantage of Chu's turning itself into a muscle-bound giant. Jin's three largest subfiefs gradually usurped power from the center. By the end of the 5th century (i.e. part way into the following, Warring States period) Jin informally broke up into three relatively minor powers—Han, Zhao and Wei. It had reacted to the problems induced by overexpansion in a way opposite to that of Chu.

Jin's hegemony and the very institution of the *bawangship* had faded away long before this fission occurred. The *bawangship* had turned out to involve an impossible attempt to reconcile contradictory elements within what had become a Chinese family of sovereign nations.

The idea of the *bawangship* was to preserve at least some aspects of the old feudal order's fraternal relationship among the feudal principalities to serve as the basis for renewed political unity some day. But centralized feudalism was evolving into the bastard feudal stage. These principalities were destined to turn into sovereign territorial states with clashing interests. At home, at least the successful ones amongst them, would shed their lord-vassal internal political relationships and turn into centralizing bureaucracies.

These trends left the field free for Qin to finally become the dominant power among the warring states by the 3rd century BC.

Isolated in the Wei River valley of subzone B1, Qin enjoyed the best combination of defensive and offensive advantages. It could easily use the same small number of narrow passes that protected its territory to debouch out onto the plains to the east and south. Its long campaigns against the pastoral-nomad cavalry to its north and west had hardened it militarily.

But just as it benefited from the weakening in turn of the *bawang*s who preceded its rise, Qin also benefited from its ability to take over and combine the elements of bureaucratic governance pioneered by the *bawang* states.

3. The evolution of bureaucracy within states

a. Qi and the idea of bureaucracy

It was probably no historical accident

that Qi became the first of the powerful states. Its founder, the Duke of Qiang, the Zhou king's father-in-law, was the most faithful of the subordinates of Kings Wen and Wu. His career, like that of the Duke of Zhou, provided one of the main templates within the Zhou sacred canon for the later creation of the meritocratic branch of the ruling class.

By late Western Zhou times, the old duke's descendants were much involved in Zhou court politics. On at least one occasion a Duke of Qi played kingmaker in the Zhou royal court.

They were also the first of the feudal lords to complete the assimilation into their state of nearby "barbarians," in their case some of the quite sophisticated Yi peoples to their immediate east on the Shandong peninsula.

This assimilation may have helped turn them into more sophisticated politicians sooner than the rulers of the other principalities. They were perhaps more willing to recognize talent from unorthodox sources. That may have been what encouraged them to use the political talents of the commoner merchant Guan Zhong.

A much later book, the *Guan Zi* (管子 *Master Guan*) bears Guan Zhong's name. It anachronistically attributes bureaucratic techniques to the 7th century that could not have arisen much before the 3rd century (See chapter 7 below). At least the beginnings of the self-conscious use of the state to manipulate the market might have been pioneered by Guan Zhong.

Guan Zhong may, however, have at least have pioneered the establishment of a working relationship between a non-hereditary minister, whether plutocratic or meritocratic in origins, and an aristocratic sovereign. At least that is the way Confucius spoke of Guan Zhong's accomplishments only a century and a half later.

While even Guan Zhong's career could not preserve the hegemony for Qi, making the meritocratic/plutocratic role overt represented a permanent innovation in statecraft, and one often emulated thereafter. The idea of bureaucracy had been born.

b. Jin and the *jun* 郡

Both Jin and Chu also ultimately lost out in the great game of balance of power in international politics during Warring States times. Before that happened, how-

ever, they each made several important contributions to the evolution of the internal structure of the bureaucratic state.

The great practical question for both as they expanded was how to organize a subfief which could be reliably controlled from the center.

One step toward creating such a subfief was taken by Jin in the process of conquering its way north during the 8th and 7th centuries BC. Jin created a type of subfief called the *jun* in territory newly conquered from the barbarians (both from the Chinese-like Di barbarians and the external pastoral-nomad Xiongnu barbarians beginning to come down out of subzone A2).

Literally analyzed, the character for *jun* may be broken down into components meaning "king's town." *Jun* is now conventionally translated as "commandery," or sometimes as "military province." The *jun* were ruled solely by military men sent from the center, paid by the center, and responsible to the center. The danger that a *jun* garrison could become locked in combat with barbarians at any moment reconciled even the Jin aristocrats officering a *jun* to putting up with this infringement on their feudal prerogatives.

After a time, however, the subfief aristocrats in the other, more conventionally organized Jin subfiefs became envious of such extensions of the central authority's power. They began to compete with the Dukes of Jin and amongst themselves for the supreme power. By the end of the 5th century three great clans of such aristocrats finally succeeded in overthrowing the old central authority's power. However, no one of them was powerful enough to replace it at the old center.

Instead, they eventually broke Jin up into three states, Han, Zhao, and Wei, named after the three aristocratic families that had earlier usurped power within their home areas. Zhao, the most northerly of them, was the most powerful because it had the most centralized government and the largest territory. This was not only because it had the strongest military, but also because as a northern and frontier power it had the largest proportion of its territory divided into *jun*. It could preserve these *jun* because of the ongoing threat from the pastoral-nomads of subzone A2.

Zhao was, however, too isolated from the strategic fulcrum zone to focus its considerable power to the south so as to

affect the overall balance of power.

Jin had invented the *jun*, but became too large and too disorganized to make the most effective use of it. Still, any job-seeking meritocrat passing through the fulcrum zone would have become aware of this peculiar new institution, and could carry the memory of it with him to any point of the compass.

c. Chu and the *xian* 縣

Meanwhile, in the south, Chu was making a somewhat similar invention. It created another alternative type of subfief called the *xian*.

This was a subfief specialized toward central control from the civilian rather than from the military side. Tax revenues would be drawn from a *xian* to pay the salary of an aristocrat who served in office anywhere but in that particular subfief. He could be serving in the capital, or in the armies on active duty. He could even be serving as a local official in some other *xian*.

To keep him from exerting independent feudal authority over the *xian* in which he was serving, the central authority would send some of its own civilian bureaucrats down to the *xian* providing that official's salary. They would administer it on behalf of the central authority. Most importantly, they would collect its taxes, and forward the taxes to the center. The center would then send some of these revenues out as salary to officials serving outside that *xian*.

Xian is perhaps best translated as "county" when you want to preserve its original aura of bastard feudalism (a county being something associated with a count in much later European feudalism). More neutrally, particularly for later post-feudal periods, *xian* may be rendered into English as "district," to indicate its role as the lowest major unit in a centrally controlled hierarchy of administrative subdivisions.

Chu's *xian* did on the civilian side what the Jin *jun* did on the military: It separated specialized administrative authority from the local sovereignty hitherto exercised by feudal aristocrats. It, like the *jun*, encouraged vassals and subvassals to evolve into meritocrats.

The *xian* worked pretty well for Chu. But the territory of Chu was too bloated by the 4th century BC to effectively coordinate with any conceivable administrative structure. The Chu state embraced too

heterogeneous a congeries of cultures. Hence even this quintessentially bureaucratic institution was not enough to enable Chu to coordinate all or most of its local governments in a fully satisfactory way.

After all, during the 19th century, the even more bureaucratically organized analogous realm ruled over by the Hapsburg court could not prevent the Hungarian part of the Austro-Hungarian Empire from hating the Germanic Austrian half of the Empire, no matter how efficient were the German bureaucrats who ruled over both and the congeries of nationalities interspersed between the two.

d. Qin approximates the bureaucratic ideal type

1) barbarian influence

These two inventions—the *jun* and the *xian*—were, nevertheless, potentially very powerful engines of centralized government. It was, however, left for another state to put them together and thus finish the job of creating the first well-ordered bureaucratic hierarchy in ancient China and in the world. This was the relatively new subzone B1 state of Qin,

Qin was not one of the original Western Zhou fiefs. Its ruling clan was only enfeoffed in the area near modern Xi'an in southern B1 in 769 BC.

When Western Zhou abandoned its western capital in 771 it gave the ruins to a minor marcher (i.e. frontier) lord. This man's lineage had originally been one of those forced to migrate from the east. He held a minor position in the royal stables. Because he had loyally helped the royal house to flee east, he was rewarded with a fief comprising the immediate Xi'an area. The descendants of this man eventually became the Dukes and then Kings of Qin. They slowly put together a larger and more powerful feudal principality.

The abiding great danger the rulers of Qin faced was from a new pastoral-nomad coalition—the Xiongnu. The Xiongnu were a more evolved successor to the Xianyun of the late 9th and early 8th centuries. The Xianyun constituted the first great pastoral-nomad coalition. They were the first horse-riding cavalymen to ride out of Zone A and start raising hell at irregular intervals along the northwestern edges of Zone B.

Soon after the fall of Western Zhou, the Xianyun had stopped coming, their coalition for some reason having gone to pieces, just as abruptly as it had initially

been put together. (Perhaps, some modern scholars suggest, Zhou's abandonment of its western capital removed the only really rich and hence tempting target for such raids.)

Gradually, however, during the several centuries after the disappearance of the Xianyun, a new coalition arose, called by the Chinese the Xiongnu coalition. These people (or some of them, at least) may have been related at least tangentially to the much later Huns who raised such hell on the eastern frontiers of Europe.

Because, unlike their predecessors, they maintained an ongoing organization, the Xiongnu constituted a much more severe challenge to the two main northern and western frontier states, Zhao and Qin.

Qin faced these people directly, as well as a congeries of local, more sedentary barbarians. Jin's (and its northern spinoff, Zhao's) physical growth had mostly been completed before the rise of the Xiongnu. Qin's expansion came during the Xiongnu rise.

As a consequence, Qin had to become and remain even more militarized all through its history than did Jin and Zhao. Like Jin, it was stimulated to evolve a more elaborately centralized state by these military challenges. Unlike Jin, it was not distracted from centralizing power in the hands of its dukes by the complications of trying to act as *bawang* for the other northern feudal principalities. Indeed, the main line Zhou feudal principalities for a long time tended to ignore Qin or dismiss it as being almost as barbarous as the barbarians with whom it struggled.

2) synthesis of *jun* & *xian*

Qin soon adopted the institution of the *jun* or military province from its neighbors to the east. It also adopted the *xian* from the more remote Chu people. Qin could become aware even of practices created in places remote from itself because one of the main east-west trade routes out toward the northwestern frontier ran square through its territory.

Qin reorganized these two hitherto separate institutions into a hierarchy: The *jun* became a military province, with several *xian* or districts beneath each *jun*. Underneath each *xian* the Qin authorities placed a number of *xiang* 鄉—townships. The *xiang* was the lowest political unit in which a police power was organized with its leadership appointed from above. Below the *xiang*, at the village and hamlet

level, people were held mutually responsible for paying taxes and maintaining each others' good behavior, but no official was appointed to control them at that level.

The *jun* was, you will recall, originally run only by military men (since its function was frontier defense), and the *xian* only by civilian officials (since its main function was to collect taxes). Something further had to be done to allow these two institutions to be nested within the same hierarchy.

Fortunately, Qin attracted several true administrative geniuses to help it assemble its new bureaucratic institutions during late Warring States times (mid-4th to mid-3rd century BC). These men soon decided to add a civilian hierarchy to the *jun* and a military hierarchy to the *xian*. Thereby they maintained separate chains of command for these two functionally distinct groupings of bureaucrats running up from *xian* through *jun* to the central government.

These two chains of command were kept from having much to do with each other. The central authority feared that the military and civilian bureaucrats who staffed them would conspire to launch rebellions when sent over the horizon from the center.

3) the flawed coordinative branch

How then were they to be coordinated? To accomplish this Qin administrators established a third chain of command, one of coordinators, also running down from the center to each of the *jun* and then to the several *xian* under each *jun*.

The coordinators' function was to look over the shoulders of both the civilian and military administrators at each of these three levels. The coordinators would make sure the other two branches behaved themselves and did not join to conspire against the interests of the ruler at the center. The performers of each of the three functions were to be evaluated and promoted separately.

Though absolutely necessary to make bureaucracy work, the coordinative function contained an inherent flaw, which might be epitomized by paraphrasing Plato: Who would coordinate the coordinators?

That question has never been satisfactorily answered, and likely cannot be. No ruler can fully coordinate them himself, at least not for very long, lest he burn

himself out with overwork. But if he allows them to coordinate themselves, they must soon become too independent for his safety. If he subordinates them in some way to the other two branches, they are no longer independent coordinators.

There seems to be no solution to this conundrum. Bureaucratic states can only oscillate between these several unsatisfactory alternatives.

This renders bureaucracy an inherently less satisfactory form of social organization than spontaneous market exchange, which lacks such an inherent defect. "Market failure," is rare, is usually the result of accidents, and is almost always self-correcting. Even when it is not, it causes less trouble than political failure.

4) the first fully articulated bureaucracy

When, by the middle years of the 3rd century BC, this system had fully crystallized out, Qin had completed the invention of the world's first reasonably fully articulated bureaucratic government. Every bureaucracy since then can be reduced to these two sets of triads: the first definable spatially as center, region and locality; the second defined functionally as military, civilian, and coordinative.

The Chinese were the first to create and integrate both triads. The elaborate tables of organization that haunt such contemporary dens of bureaucracy as Washington, DC or Moscow (or the hierarchies of American state universities) are all at least collateral descendants of this pioneering bureaucracy of ancient Qin.

As we will see in chapter 6, Confucius had already more than two centuries earlier articulated the first rule of ethics which must be embodied in any template of merit for the functionaries of a bureaucracy: "Thou shalt not betray thy ruler while doing his business over the horizon."

Qin, however, had crafted the three functional templates of merit which operated just below Confucius's root template: These were the military template, the civilian template and the coordinative template. Both Qin's and Confucius's contributions were needed for bureaucracy to function.

Its creation of a fully articulated bureaucracy is why it was Qin rather than Chu or Jin or Qi which became the surviving great power of the Warring States era, and brought the first stage of high

civilization to its political climax with the creation of the first universal state. And yet possession of the world's first full-blown bureaucracy did not keep Qin from a rapid fall and may even have played a part in that fall.

But before we trace that process and its consequences in more detail we must first examine the appearance and early development of the larger framework of ideas that made both bureaucracy and high civilization conceivable and hence possible in ancient China. EHK