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Cultures of Commerce Compared: A Comparative Study of the Ideal of the Businessman in China and England, c.1600-1800

by

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Declaration

I certify that the thesis I have presented for examination for the MPhil/PhD degree of the London School of Economics and Political Science is solely my own work other than where I have clearly indicated that it is the work of others (in which case the extent of any work carried out jointly by me and any other person is clearly identified in it).

Abstract

This study compares business culture in seventeenth and eighteenth century China and England through an examination of the ideals of the businessman. It focuses on these ideals as presented in business advice literature, the core of which are business handbooks giving advice on how businessmen were expected to behave. These handbooks have not previously been used comparatively. This study looks at three aspects of the ideal of the businessman – attitudes to the market, wealth and social relations. Business culture is an important factor in global history for explaining economic performance and the Great Divergence. In England, the rise of a bourgeoisie with commercial values and increasing status of commerce is seen as a spur to economic development. On the other hand, in China, the ideal of the Confucian merchant has been argued to be a possible hindrance. By comparing the business cultures of China and England through an analysis of business advice literature we find similarities which dispel many stereotypes, and differences, which point out factors important in the Great Divergence. Through this this study aims to shed new light on cultural debates in global economic history. This study argues that there are highly surprising similarities between the ideals of the businessmen of China and England, including thrift, charity and attitudes to the market. However, it also argues that through this comparison two key differences in attitudes are crystalized which might have been important in looking at the Great Divergence. In England the ideal of honesty was made malleable and subsumed to commerce. In China a familial emphasis was present in the ideal of the Chinese businessman to a much greater degree than for the English businessman.

For Lisa

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Chapter 1

Introduction

Content was held the chiefe and worthi'st thing,
Exceeding riches, glory, gold, or items
…oh glorious happie time'

the silver age put downe the golden world…
He brought the world to brazen ignorance,
He taught the souldier to manage armes
…
One countrey lusts an others overthrowe

Thou shalt a paire of foes congluminate,
Yet amongst equals breed dissension…
Nations shall fight to see thy gracious favour

Silver is framed to a good entent,
To be reducted to the shape of coine…
Turning th'good creature to a wicked use

Giving to all what they desire to have,
Thou art an author of lycentiosnesse,
Feeder of riot, and of drunkenesse

T.A., The Massacre of Money, London, 1602[1]

Every family was self-sufficient, with a house to live in, land to cultivate, hills from which to cut firewood, and gardens in which to grow vegetables. Taxes were collected without harassment and bandits did not appear. Marriages were arranged at the proper times and the villages were secure. Women spun and wove and men tended the crops. Servants were obedient and hardworking, neighbours cordial and friendly.
…
[Now] One man in a hundred is rich, while nine out of ten are impoverished. The poor cannot stand up to the rich who, though few in number, are able to control the majority. The lord of silver rules heaven and the god of copper cash reigns over the earth

Zhang Tao, Gazetteer of Sheh County on the Lower Yangtze , 1609[2]

In the seventeenth and eighteenth centuries rapid commercialization took place in England and the more economically advanced regions of China, in particular the lower Yangtze. Business culture both guided and in turn was guided by these processes of commercialization. This study compares business culture through looking at the 'ideal' of

[1] T.A., *The massacre of money* (London, 1602).

[2] Quoted in Brook, T., *The confusions of pleasure: commerce and culture in Ming China* (California: University of California Press, 1999), p.vii.

the businessman, what was considered socially acceptable behavior, in both these regions. This is done through a systematic comparison of the business advice literature which began to develop in both areas, encompassing guides for the businessman on conduct and ethics, newspapers, gazetteers or local histories and representations of the businessman in literature. This study will look at the 'ideal' attitudes of the English and Chinese businessman to trade, wealth and kith and kin as presented to contemporary readers often seeking to enter business. These ideals evolved against a backdrop of commercialization. It is to a sketch of this process that we first turn.

Both areas were undergoing processes of commercialization. Pomeranz has argued that these processes were so similar that North West Europe did not exhibit any distinguishable lead over the core areas of Asia until c.1800.[3] Comparative studies have found this similarity with regard to many economic indicators of commercialization including population density, grain consumption and life expectancy.[4] The similarity was particularly acute between the lower Yangtze region of China and England.[5] It should be

[3] Pomeranz, K., *The great divergence: China, Europe, and the making of the modern world economy* (Princeton: Princeton Univeristy Press, 2000), p.16.

[4] Pomeranz, *Great divergence*, pp.31-68.; Myers, R.H. and Wang, Y-C., 'Economic developments, 1644-1800', in W.J.Peterson (ed.), *The Cambridge history of China, volume 9, part 1: The Ch'ing empire to 1800* (Cambridge: Cambridge University Press, 2002), pp.563-645.

[5] Pomeranz, *Great divergence*, p.12; This region has been emphasised in the many attempts to divide China into macroeconomic regions whether the three regions of Myers, or the eight macro-regions of China as in Skinner's scheme. Myers and Wang, 'Economic developments', p.567; Eastman, L.E., *Family, fields and ancestors: constancy and change in China's social and economic history* (New York; Oxford: Oxford University Press, 1988), pp.120-3. However, some have been critical of the idea of similarity. For instance, Allen, R.C., Bassino, J-P., Ma, D., Moll-Murata., C. and van Zanden, J.L., 'Wages, prices, and living standards in China, 1738-1925: in comparison with Europe, Japan, and India', *Economic History Review*, 64, S1 (2011), pp.30-1; Broadberry, S., and Gupta, B., 'The early modern great divergence: wages, prices

noted that this change was not smooth, and both areas did have periods of economic downturn, notably the South Sea Bubble (1720) and the period around the Chinese Ming-Qing transition in the mid-seventeenth century.[6]

Processes of change that supported the expansion of commerce can be seen in the development of markets and finance. In England the 'trade revolution' meant foreign trade became increasingly important from 1660, and by 1760 England was an exporter of manufactured goods all over the globe. The 'triangular trade' with North America developed, as did a great internal trade with the development of shop-keeping along with more traditional forms of trade.[7] In China, markets exhibited a high degree of integration, which is apparent through the stability of grain prices. Tea, cloth, sugar and silk were heavily traded within China and Chinese goods were exported globally, in particular tea and furniture.[8] More than this, the Chinese trading system has been described as being highly competitive.[9]

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and economic development in Europe and Asia, 1500-1800', *Economic History Review*, 59 (2006), pp.26-7.

[6] Glaisyer, N., *The culture of commerce in England 1660-1720* (London: Royal Historical Society, 2006), pp.7-8; Myers and Wang, 'Economic developments', pp.564-5.

[7] Sharpe, J.A., *Early modern England: a social history 1550-1760* (London: Arnold, 1997), pp.141-4; Glaisyer, *Culture of commerce*, pp.1-8. On the development of retailing see Mui, H-C. and Mui, L.H., *Shops and shopkeeping in eighteenth-century England* (Kingston, Ontario; McGill-Queen's University Press, 1989), p.28; Cox, N., *The complete tradesman: a study of retailing, 1550-1820* (Aldershot: Ashgate, 2000), pp.1-16.

[8] Myers and Wang, 'Economic developments', pp.609-26; Gernet, J., [trans. J.R. Foster and C. Hartman] *A history of Chinese civilization* (Cambridge: Cambridge University Press, 2005), pp.484-8.

[9] Myers and Wang, 'Economic developments', p.590.

Changes in the states facilitated the development of the commercial economy. The English 'financial revolution' involved large changes in public finance which led to the development of financial innovations including public borrowing, the stock market, insurance and credit instruments which helped with everyday commercial life.[10] There were significant improvements in transportation networks, including the establishment of turnpike trusts which maintained roads.[11] In the same period, China experienced massive inflows of silver that monetized its economy, the widespread use of paper money and credit, and the development of banking facilities. The Chinese state encouraged commerce through the gradual reduction of taxes and the corvée labour requirement, the streamlining of the Grand Canal which reduced costs for merchants, and legal changes which gave certain traders better property rights by protecting their goods.[12]

Urban life and consumption thrived. This period in China saw an urban revival, according to those studying urban development such as Antonia Finnane and Linda Johnson, with the display of increasing wealth tangible in buildings, the development of market towns and networks of trade. Most impressive were the flourishing cities built up by merchants such as Shanghai and Yangzhou. The estates of the Huizhou merchants in Yangzhou, who had earned their fortune largely from the salt monopoly included vast

[10] Glaisyer, *Culture of commerce*, pp.2-4; Dickson, P.G.M., *The financial revolution in England: a study in the development of public credit, 1688-1756* (London: Macmillan, 1967), p.11; Brewer, J., *The sinews of power: war, money and the English state, 1688-1783* (London: Unwin Hyman, 1989), p.250; O'Brien, P, and Hunt, P.A., 'The rise of the fiscal state in England, 1485-1815', *Historical Research*, 66 (1993), p.134.

[11] Sharpe, J.A., *Early modern England*, p.145; Bogart, D., 'Turnpike trusts and property income: new evidence on transport improvements and legislation in eighteenth-century England', *Economic History Review*, 62:1 (February 2009), pp.128-52.

[12] Myers and Wang, 'Economic developments', pp.592-605, 626-30.

and ornate gardens.[13] Similarly urban development in England took off with the dramatic urban growth in London in the seventeenth century and widespread urban development in the eighteenth.[14]

The growth in demand for consumer goods amounted to a 'consumer revolution' in England. The foundation of this revolution was laid in the seventeenth century with an explosion of demand, although it was in the eighteenth that there developed a proliferation of consumption and the 'birth' of a consumer society with changing fashions, growing sophistication in advertising and the 'new luxury', a luxury no longer confined to the old aristocratic elites.[15] Similar developments could have also been

[13] Johnson, L.C., *Shanghai: from market town to treaty port, 1074-1858* (Stanford, California: Stanford University Press, 1975); Finnane, A., *Speaking of Yangzhou: a Chinese city, 1550-1850* (Cambridge [Mass.]: Harvard University Asia Center, 2004). For the merchants as patrons of the arts and urban culture, see Chan, S., and Cheng-chi, H.,'Anhui merchant culture and patronage' in J. Cahill (ed.), *Shadows on Mount Huang: Chinese painting and printing of the Anhui school* (Berkeley: University Art Museum, Berkeley, 1989), pp.18-24.

[14] Corfield, P., 'Urban development in England and Wales in the sixteenth and seventeenth centuries', in J. Barry (ed.), *The Tudor and Stuart town: a reader in English urban history, 1530-1688* (London: Longman, 1990), pp.35-62; Wrigley, E.A., *People, cities and wealth: the transformation of traditional society* (Oxford: Basil Blackwell, 1987), pp.158-67; Glennie, P., 'Town and country in England, 1570-1750', in S.R. Epstein (ed.), *Town and country in Europe, 1300-1800* (Cambridge: Cambridge University Press, 2000), pp.148-52.

[15] McKendrik, N., 'The birth of a consumer society: the commercialization of eighteenth-century England' in N. McKendrik, J. Brewer and J.H. Plumb, *The birth of a consumer society: the commercialization of eighteenth-century England* (London: Europa Publications Ltd., 1982), pp.1-6; McKendrik, N., 'George Packwood and the commercialization of shaving: the art of eighteenth-century advertising or "the way to get money and be happy"', in N. McKendrik, J. Brewer and J.H. Plumb, *The birth of a consumer society: the commercialization of eighteenth-century England* (London: Europa Publications Ltd., 1982), pp.146-94; Berg, M., *Luxury and pleasure in eighteenth-century Britain* (Oxford: Oxford University Press, 2007), pp.31-7; Peck, L.L., *Consuming splendor: society and culture in seventeenth-century England* (Cambridge: Cambridge University Press, 2005), pp.1-24.

occurring in China. The consumption of elite popular luxuries (such as tea and sugar) has been argued to have been roughly the same in both China and England, until the late eighteenth century.[16] Indeed, several historians have suggested a consumer society emerged in China at this time, with their origins in the seventeenth century, when even manuals of fashion began to be published.[17]

Commercialization was both a product of and also entailed changes in the ideas on how people should carry out commerce. This is the area of business culture that this study is concerned with, and it is to a consideration of this aspect and how it has been treated that we move on to next.

Business Culture

Behind these processes of commercialization lay business. From the merchants of Huizhou in China and the supercargoes of the English East India company down to the petty retailers and traveling salesmen, all played a part. Each had their own culture, or way of thinking and ethics, and it is this 'business culture' that this thesis will investigate. In the phrase business culture, we encompass how people thought business should be done, what was wrong and right, and, the ethics of business. Business culture has been defined by Yu Ying-Shih as 'A way of life grown out of the ever-evolving business

[16] Pomeranz, *Great divergence*, pp.116-127.

[17] Adshead, S.A.M., *Material culture in Europe and China, 1400-1800: the rise of consumerism* (Basingstoke: Macmillan, 1997), pp.23-30; Clunas, C., *Superfluous things: material culture and social status in early modern China* (Honolulu: University of Hawai'i Press, 2004), pp.8-39.

world which involves ideas, beliefs, values, ethical code, behavior patterns, etcetera'.[18] Economic historians have often looked at early modern business culture and the cultural aspects of trade as part of an effort to 'de-economize' economic history and provide a fuller picture of economic behaviour.[19] Broadly, some basic constraints within the historiography about the business cultures of the two areas can be discerned. On the one hand, European historians have identified an English business culture in which they emphasize the rise of the middle class and 'bourgeois' values. On the other, Chinese historians have described a Chinese business culture in which they emphasize the place of Confucianism. This is not to argue that each of these sides forms a coherent set of beliefs or ideas. In fact, there is often conflict within them.[20] But in general two regionally distinct business cultures have been recognized.

The term 'bourgeois virtues' has been used by Deirdre McCloskey to characterize the business culture of the West, and this serves as a starting point for looking at what exactly the business culture of the West and specifically England entailed. The term 'bourgeois' is used to refer to the rise of the middle class, a class associated with the rise

[18] Yu, Y-S., 'Business culture and Chinese traditions – towards a study of the evolution of merchant culture in Chinese history', in Wang Guangwu and Wang Sui-lin (eds.), *Dynamic Hong Kong: its business and culture* (Hong Kong: University of Hong Kong, 1997), p.1.

[19] Glaisyer, *Culture of commerce*, pp.8-12.

[20] Especially Confucianism which has interpreted in many different ways regarding attitudes to profit and wealth. See Brook, T., 'Profit and righteousness in Chinese economic culture', in T. Brook and H.V. Luong (eds.) *Culture and economy: the shaping of capitalism in eastern Asia* (Ann Arbor: University of Michigan Press, 1997), pp.27-44, about how this historical debate has been politicized.

of commerce in the West during this period.[21] McCloskey argues that the way people talked about commerce in the West changed. Ultimately, she argues that this led to bourgeois dignity and bourgeois liberty; the status of the commercial classes increased, as well as did their actual power or freedom from legal and social limitations, leading to the Industrial revolution.[22] In this period Keith Thomas has argued that in England the acquisition of wealth became a legitimate life goal, where before it was subject to social stigma.[23]

Other historians have argued about what business culture in England meant. Margaret Hunt, Daniel Rabuzzi and David Hancock, among others, have pointed out that doing business did involve possessing bourgeois 'virtues' including the honesty, frugality, self-denial and philanthropy. Overall, the image was that moral and material progress went together and that the business community had virtue.[24] However, these arguments have been questioned. Richard Grassby, in his study of the seventeenth century business

[21] Hunt, M., *The middling sort: commerce, gender, and the family in England, 1680-1780* (California: University of California, 1996), p.20; Smail, J., *The origins of middle-class culture: Halifax, Yorkshire, 1660-1780* (Ithaca: Cornell University Press, 1994), pp.3-14; Earle, P, *Making of the English middle class: business, society and family life in London, 1660-1730* (London: Methuen, 1989), pp.3-13.

[22] McCloskey, D., *Bourgeois dignity: why economics can't explain the modern world* (Chicago: University of Chicago Press, 2010), pp.385-405.

[23] Thomas, K., *The ends of life: roads to fulfilment in early modern England* (Oxford: Oxford University Press, 2009), pp.142-6.

[24] Grassby, R., *The English gentleman in trade: the life and works of Sir Dudley North, 1641-1691* (Oxford: Oxford University Press, 1994), pp.266-71; Grassby, R., *The business community of seventeenth-century England* (Cambridge: Cambridge University Press, 1995), pp.286-97; Hancock, D., *Citizens of the world: London merchants and the integration of the British Atlantic community, 1735-1785* (Cambridge; New York: Cambridge University Press, 1995), pp.279-319; Rabuzzi, D.A., 'Eighteenth-century commercial mentalities as reflected and projected in business handbooks', *Eighteenth-Century Studies*, 29:2 (1995-6), pp.175-7; Hunt, *Middling sort*, pp.49-72.

community in England, noted that for most businessmen, honesty and trade were incompatible and did not feature in business: 'Businessmen rarely had the time to weigh moral issues before making decisions and they usually followed habit and convenience'.[25]

The business community experienced ongoing conflicts between the contradictory implications of these different virtues. John Smail in his study of the middle class in eighteenth century Halifax found conflicts between the notions of gentility which businessmen aspired to, and the values of thrift and other virtues, that were needed for survival in the business world.[26] Businessmen also faced the problem of what religion could mean for business. Paul Seaver in his microstudy of the Puritan artisan Nehemiah Wallington, shows that he was torn between the anti-wealth accumulating ideals of his faith and his vocation as a tradesman, between his God and riches.[27] Yet we can also find examples of religion serving as a reinforcement for trade and business, for instance in the business network of the Society of Friends as Ann Prior and Maurice Kirby have shown for the eighteenth century.[28]

Beyond these questions of conflict within business culture, is the question of how it changed through this period. Alan MacFarlane argued for the early onset of English

[25] Grassby, *Business community*, p.29.

[26] Smail, *Origins of middle class culture*, pp.191-221.

[27] Seaver, P.S., *Wallington's world: a Puritan in seventeenth-century London* (London: Methuen, 1985), pp.112-42.

[28] Priora, A. and Kirby, M., 'The Society of Friends and the family firm, 1700-1830', *Business History*, 1993:4, pp.66.-85.

individualism, identifying a breaking away from the traditional ties of kinship and the emergence of a society that was more commercialized and geared towards the individual pursuit of wealth.[29] Against this, Grassby, in his empirical backlash against theoretical constructs, argued that the power of the family remained intact and possessed a continued importance, even if this may have been to the detriment of business.[30] Tracing business ethics through a comparison of England in the medieval period and nineteenth century, Barrington Moore found that the business community did not singularly strive only for wealth and social distinction.[31]

In studies of the business culture of China, many of the same questions arise, including debates over wealth, the family and how to trade. Confucianism is argued to have been an underlying influence on business behaviour.[32] It put ethical limits on acquisitiveness and the means of acquiring wealth, and shaped what merchants did with their wealth through encouraging philanthropy. Most famously, Max Weber argued that whereas in the West material wealth was seen as the route to salvation, beliefs in the East, in particular

[29] MacFarlane, A., *The origins of English individualism: the family, property and social transition* (Oxford: Blackwell, 1978), pp.189-203.

[30] Grassby, R., *Kinship and capitalism: marriage, family, and business in the English-speaking world, 1580-1740* (Cambridge: Cambridge University Press, 2001), pp.387-417; Grassby, R., 'Love, property and kinship: the courtship of Philip Williams, Levant merchant, 1617-50', *English Historical Review*, April 1998, pp.335-50.

[31] Moore, B., *Moral aspects of economic growth and other essays* (Ithaca: Cornell University Press, 1998), pp.52-3.

[32] Yu Ying-shih, 'Business culture', pp.56-66; Brook, T, *Confusions of pleasure*, pp. 215-8; Dillon, M., 'Commerce and Confucianism: the merchants of Huizhou', *History Today*, 39:2 (1989: February), pp.24-30; Lufrano, R., *Honorable merchants: commerce and self-cultivation in late imperial China* (Honolulu: University of Hawaii Press, 1997), pp.1-8.

Confucianism, focused on inner-worldly concerns.[33] Wang Zhenzhong argues a new philanthropic ideal of *leshan haoshi* (happiness through doing good works) spread among the Huizhou merchants after the Ming-Qing transition (c.1644).[34] Similarly, investment in education to reach the top of the Confucian social hierarchy, as Ping-ti Ho argues in his work *The ladder of success*, and the supposed inculcation of honesty and reciprocity betrayed a uniquely Chinese informal system of trade.[35]

Richard Lufrano's work on merchant culture using merchant handbooks emphasized the importance of the merchant ideology of 'self-cultivation', showing that merchants could 'live a virtuous Confucian life by emphasizing prudence and avoiding mistakes'. [36] Xuewen Chen, looking at the Chinese merchant handbooks, noted the high moral quality of the Chinese business community portrayed within them, and the need to gain social status through engaging in accepted practices, such as investment in education.[37] Ramon Myers and Yeh-Chien Wang argued that Confucianism influenced business organization by giving a prime place to dealings with kith and kin.[38] Similarly, the ideal of guanxi, the

[33] Weber, M., *Max Weber: selections in translation* ed.W.G. Runciman [trans. E. Matthews] (Cambridge: Cambridge University Press, 1978), p.196.

[34] Wang, Z., 'Ming Qing shiqi Huisheng shihui xingxiang de wenhua toushii' [A cultural perspective of the social image of Huizhou merchants in the Ming and Qing dynasties], *Fudan Xuebao*, 1993, pp.80-4.

[35] Ho, P-T., *The ladder of success in imperial China: aspect of social mobility, 1368-1911* (New York: Columbia University Press, 1962), pp.41-52; Lufrano, *Honorable merchants*, pp.108-31.

[36] Lufrano, *Honorable merchants*, pp.1-22; Myers and Wang, 'Economic developments', p.577.

[37] Chen, X., *Ming Qing shiqi shangye shu ji shangren shu zhi yanjiu* [Research on business books and merchant books of the Ming and Qing periods] (Taibei, 1997), pp.177-8.

[38] Myers and Wang, 'Economic developments', p.586.

system stressing importance of personal relationships, is held to be unique to China.[39] In extension, Bin Wong argues that informal mechanisms of rule were important in Chinese society, providing substitutes for the formal mechanisms of the West, which have been argued to have been responsible for the economic development of England, notably by the institutionalist Douglass North.[40]

On the other hand, Confucianism was bent to the needs of an ever commercializing society. Yu Ying-Shi in his study of the history of business culture in China, similarly argues that new thinkers in the period reinterpreted Confucianism to support the work of hitherto denigrated merchants. This encouraged commercialization and the pursuit of wealth, in particular because being a merchant was no longer a bar to attaining sagehood.[41] Timothy Brook has analyzed whether one could argue that a reorientation towards capitalism and the pursuit of wealth took place from the sixteenth century, pointing out that those taking sides for and against such an interpretation have both used Confucianism as a basis.[42]

[39] King, A. Y-C., 'Kuan-hsi and network building; a sociological interpretation', in R. Ampalavanar Brown (ed.), *Chinese business enterprise: critical perspectives on business and management: volume 2* (London: Routledge, 1996), p.321.

[40] Bin Wong, R., 'Formal and informal mechanisms of rule and economic development: the Qing empire in comparative perspective," *Journal of Early Modern History*, 5 (2001), pp.387-408; North, D.C., *Institutions, institutional change, and economic performance* (Cambridge: Cambridge University Press, 1990).

[41] Myers and Wang, 'Economic developments', p.578; Yu, 'Business culture', pp.59-66.

[42] Brook, 'Profit and righteousness', pp.27-44.

These studies of business culture in England and China, taken as a whole, lack a systematic comparative treatment. This would help determine the features of, and what was unique about, the business cultures of China and England. How far were their ideals of honesty different? What was the prescribed role of the family in business in both systems? This lack of detailed comparative analysis has left debate lingering around many important generalizations and assumptions that have been used to explain their divergent fortunes. Grassby has argued that England was unique in its business culture and explicitly refers to Chinese Confucianism as being against business and the businessman. He suggests that England was unique in that business was 'neither proscribed nor prescribed'. Yet his study does not carry out the level of analysis on Chinese sources that could sustain this conclusion that his detailed work on the English business community shows.[43] McCloskey argues that the seven virtues of the bourgeoisie in the West were not similar to those espoused in Confucianism in important ways.[44] This study aims to carry out a systematic comparison of business culture to remedy such deficiencies.

Bearing in mind the three areas of business culture that this study addresses - attitudes to the market, wealth and social relations - stereotypes can be found for each, that highlight difference between China and England. The stereotype of the Chinese 'Confucian merchant' can be seen to consist of the idea that these businessmen were overly moral in

[43] Grassby, *Business community*, p.52. A view very much challenged by those who argue for a Confucian reorientation and the rise of the status of the merchant and business in the seventeenth and eighteenth century, for instance, see Yu, 'Business culture', pp.37-67.

[44] McCloskey, D., *The bourgeois virtues: ethics for an age of commerce* (Chicago: University of Chicago Press, 2006), pp.392-3.

the marketplace preferring the use of informal law, to have had an anti-wealth bias along the lines of Weber's idea of their 'other-worldly concerns' and the prevalence of unique social relations displaying guanxi and familialism. On the other hand the English 'bourgeois' businessman had the opposite of these ideals including recourse to formal law in the market, the idea of wealth as a legitimate goal and ideas of individualism in social relations.

These are taken from the discussion of business culture above. There are many revisionist arguments for each of these areas. However, none of these revisionist arguments are from a comparative perspective. In fact, stereotypes about the business cultures of East and West have often crept into works of business history and culture when one side has tried to make a statement about the other, often without substantial foundation. This lack of detailed comparative analysis has left debate lingering around generalizations and assumptions.

Through a comparison of the business culture and ideal of the businessman this study will explore the similarities and differences between the two societies' business cultures. This will add to the debate on the Great Divergence, where detailed comparative studies in business culture are lacking. Global historical studies into the role of ideas and values in explaining the Great Divergence between the East and the West do sometimes deal with business and values, but many considering culture focus exclusively on the relationship between culture and technology.

Of course it must be acknowledged that many studies that have looked at economic growth and the Great Divergence give little attention to culture. For example, Robert Allen focuses on factor prices, Douglass North looks at institutions as does Jan Luiten van Zanden.[45] The California school, such as Kenneth Pomeranz and Roy Bin Wong argue that culture was not crucial in explaining the divergent economic trajectories of Europe and the rest of the world, in particular China.[46] However, culture does play an important part in several arguments about the Great Divergence.

Jack Goldstone, in his *Why the West?* argues, that the Great Divergence occurred from 1800 because a 'culture of innovation' took root in Britain, as the confluence of six factors, namely, support for science, the attack upon tradition and established authorities, religious toleration, a way of discovering guided by instruments, the development of the experimental method and the Baconian approach to science where ideas should be based on empirical research. Many of the factors that he identifies as important in the West – such as religious toleration and the rise of Baconian science – were developments predating 1800.[47]

[45] Allen, R.C., *The industrial revolution in global perspective* (Cambridge: Cambridge University Press, 2009); North, D.C., Wallis, J.J. and Weingast, B.R., *Violence and social orders: a conceptual framework for interpreting recorded human history* (Cambridge: Cambridge University Press, 2009); van Zanden, J.L., *The long road to the industrial revolution: the European economy in a global perspective, 1000-1800* (Leiden: Brill, 2009).

[46] Pomeranz, *Great divergence*, pp.111-3; Bin Wong, 'Formal and informal mechanisms', pp.407-8.

[47] Goldstone, J.A., *Why Europe? the rise of the West in world history, 1500-1850* (Boston: McGraw-Hill Higher Education, 2009), pp.162-70.

Similarly, Deirdre McCloskey's *Bourgeois dignity* argues that the industrial revolution can be explained by a rhetorical and ideological shift c.1600/1700 which led to the bourgeois (traders, inventors) crucially acquiring dignity (status) and liberty (freedom) in a 'bourgeois reevaluation'.[48] However, there have always been those arguing for and against commerce and the bourgeois. For example, looking at literature, John McVeagh's study of the portrayal of commerce and the bourgeois argues that during the second half of the eighteenth century disillusionment with commerce was apparent across the board in English literature.[49] When looking at other areas, it could be asked whether the bourgeois were as scorned as McCloskey suggests. In China, for instance, businessmen appeared in writing by the literati as performing righteous acts and being indeed 'righteous people'.[50]

Joel Mokyr's *Industrial Enlightenment* argues that beliefs and ideas affect economic performance. His central contention is that the enlightenment led to a change in ideas from looking at how to be 'good' to how to be 'happy'. He argues that enlightenment ideas were applied, for instance in technology, to increase human knowledge for the sake of material progress and economic growth. Part of his argument does examine social norms, and he argues, that the ideal of the 'gentleman' in Britain set it apart and meant it could do without the strong formal institutions of law.

[48] McCloskey, *Bourgeois dignity*, pp.393-405.

[49] McVeagh, J., *Tradefull merchants: the portrayal of the capitalist in literature* (London: Routledge and Kegan Paul, 1981), pp.83-100.

[50] Ebrey, P., *Chinese civilization and society: a sourcebook* (London; New York: Collier Macmillan Free Press, 1981), pp.155-60.

Mokyr's account does rightly emphasize the importance of ideas in helping explain economic performance - the '600-pound gorilla in the room of modern economic growth that nobody has mentioned so far'.[51] However, he does fall down on one major point. First, his account lacks a systematic discussion of the enlightenment. Enlightenment thought is defined as the idea of the accumulation of knowledge which would lead to progress. But this definition is too general to really be useful. Defined in this way practically anything contributing to the industrial revolution could be seen as influenced by the enlightenment. Yet some of the ideas Mokyr attributes to the enlightenment are not unique. For example, Mokyr argues that formal laws were not adequate in this period to enforce contracts. Instead the ideal of the 'gentleman' and reputation brought down transaction costs, facilitated exchange and economic growth. [52] These, he claims, were a unique feature of English society. However, the ideal of a gentleman was also held by Chinese businessmen on the lower Yangtze in the same period.

In sum, these studies of global history in some cases deal with culture, though largely in relation to technical or scientific knowledge. Those, such as Goldstone, Mokyr and McCloskey, that do touch on commerce do so in an unsystematic way, the evidence they cite could be drawn from many cases studies and used to show any argument. By looking at specifically business advice literature I hope to fill this gap.

[51] Mokyr, J., *The enlightened economy: an economic history of Britain, 1700-1850* (New Haven: Yale University Press, 2009), p.487.

[52] *Ibid*., pp.383-8.

Business handbooks and their use by historians

The handbooks which form the core of this thesis have been used to look at both the mechanics of being a businessman, and business culture more broadly. This has encompassed a wide range of debate, including not only the technical aspects of trade, but also social change, knowledge transfer and business 'mentalities'.

Business handbooks have been used to shed light on the purely technical side of merchant operations. For example, Lufrano looked at how manuals detailed duties for apprentices, teaching them how to act and serve customers. As he shows, they provided practical guidelines such as information on using scales to weigh silver, evaluating the quality of silver, and advice on traveling as a merchant safely such as how to select boatmen and how to do business. This could be very practical in form: as he notes the sixth volume of the *Shanggu bianlan* (Guide for traders and shopkeepers) compiled in 1792, was a manual of form letters along with appropriate replies on diverse subjects ranging from borrowing silver to consoling someone who had been robbed.[53]

On English merchant manuals, Ceri Sullivan details the teaching of merchant manuals in the art of double-entry bookkeeping. Sullivan suggests this was used to reinforce credibility and trust among merchants, which were vital for the running of any business where institutional safeguards had not yet been fully developed. Proper bookkeeping was seen as a moral duty, thus Ympyn in his *How to kepe a book of accomptes* (1547) thought

[53] Lufrano, *Honorable merchants,* p.136.

that books should be kept 'to the intent that all their affaires maie bee both finely, netly, and truly observed, and that in suche dewe order and exact manner that the Marchuant while he liveth maie knowe aswel what he oweth and is in debted to other, and what appertigneth of right to hymself'.[54]

Manuals have been used to chart commercial change during the period. This is evident in transport and communication history. Chen in his survey of Chinese merchant manuals noted their contribution especially in the realm of transport and communication history.[55] Harriet Zurndorfer in her study of Huizhou from 1000-1800 noted that by referring to various editions it could be seen that while water routes remained the same, overland routes altered considerably from one dynasty to the next.[56] Antonia Finnane, in her study of the city of Yangzhou, a centre of commerce on the Yangtze during 1600-1800, noted how one could chart the length of routes, using the merchant manuals and route books, and obtain information concerning the importance of places. For instance, the *Shishang Yaolan* (Essentials for gentlemen and merchants) of the seventeenth century, in its route from Yangzhou to Huizhou prefecture took as its point of departure the place of Yizheng rather than the prefectural capital. This may indicate the relative importance of Yizheng as an area of commerce.[57]

[54] Sullivan, C., *The rhetoric of credit: merchants in early modern writing* (London: Associated University Presses, 2002), p.29.

[55] Chen, *Ming Qing shiqi*, pp.3-30.

[56] Zurndorfer, H.T.,, *Change and continuity in Chinese local history: the development of Hui-chou prefecture 800-1800* (Leiden: E.J. Brill, 1989), pp.131-2.

[57] Finnane, *Speaking of Yangzhou*, pp.59-60.

However, it is not only these technical and explicit aspects which can be illuminated through a study of merchant manuals. They reflect wider social, intellectual and attitudinal changes which Daniel Rabuzzi argued may give an impression 'that is deeper and more nuanced than the image conveyed solely by the trade statistics'.[58] Both Rabuzzi and Natasha Glaisyer have noted the relatively scarce use of merchant manuals by economic historians. Rabuzzi, in an article using a single merchant manual argued that manuals could be used to gain a further insight not only into the social through explicit, possibly moralizing statements, but also through implicit, more rhetorical analyses. For instance in *Speranders sorgfältiger negotiant und wechsler* (Speranders careful merchant and exchanger), appearing in 1706, the explicit claims for frugality are undermined by the appended list of goods, which might encourage extravagance.[59] Further, Glaisyer argued for the use of merchant manuals to capture and inform debates currently overwrought by the plethora of traditional economistic approaches, such as the timing of the consumer revolution, currently analyzed largely using probate records, wills and other quantitative data. This was a move to 'de-economize' economic history and open up a new range of sources to inform current debates in economic history. This is especially pertinent to premodern periods where statistical data may be lacking.[60]

Handbooks have been used to show broader societal changes over time. For example, Glaisyer examined commercialization during the period 1660-1720. She argued that commerce entered the common conscience in this period and looked at merchant manuals

[58] Rabuzzi, 'Eighteenth-century commercial mentalities', p.170.

[59] *Ibid.*

[60] Glaiyser, *Culture of commerce*, pp.8-12.

to identify how it was 'packaged' for a wider audience. People went on a journey into the world of commerce, and by paying attention to writing style this can be seen. Vernon's *Compleat comptinghouse* (1678) was written as a conversation between the master and apprentice. People could literally enter the world of the merchant.[61] Ultimately commerce was made acceptable against an initial backdrop of various institutions which were she suggests hostile to commerce. She undertook this analysis solely through the use of merchant manuals, via a close textual reading of them, as well as their background, including identifying who read them. For the late sixteenth and early seventeenth century, Sullivan utilized merchant handbooks, focusing on accounting practice, to examine portrayals of merchants, and hence receptions of commerce and then compared these to portrayals in popular theatre. This was in order to reach an inclusive portrayal of merchants in the period, to find out how merchants wanted themselves to be viewed through the merchant manuals, and how society viewed them, through an examination of plays. Through using merchant manuals she was able to identify key concepts and ideas which the merchants believed mattered, such as credit and reputation.[62]

Handbooks have also been used in studies of early modern consumption. Maxine Berg used merchant manuals to comment on the uptake of fashion in Europe during the eighteenth century. For example, she found it absent as a subject in Poslethwayt's *Dictionary of trade and commerce* (1757), yet present in the French *Encyclopédie* (1751-80).[63] Nancy Cox has examined numerous consumer themes, including advertising, the

[61] *Ibid.*, p.130.

[62] Sullivan, *Rhetoric of credit*, p.32.

[63] Berg, *Luxury and pleasure*, p.248.

importance of trade and familial involvement in apprenticeship. On advertising she argues that while it became acceptable, through an identification of increasing reference to adverts in business handbooks, methods of advertising were still not outlined by the close of the eighteenth century. On the respectability of trade, through tracing arguments from H.N.'s *The Compleat tradesman* (1684) to Daniel Defoe's manual *The complete English tradesman* (1726), she argues that consumption was increasingly viewed as being of crucial importance, not only to provide a comfortable standard of living, but to generate wealth and national strength.[64]

Historians have made similar uses of manuals in studies of China. Xuewen Chen's thorough study of Chinese merchant manuals demonstrates the utility of manuals for social history. For example, when looking at the prevalence of crime, he shows how the manuals detail official behaviour during the period and official corruption. In addition, Chen noted the large number of studies using merchant manuals to build up a picture of 'everyday life' in China. This is because merchant manuals contain information that are lacking in sources such as gazetteers, which detail political experiments, local notables and official activities well, but which omit details pertinent to an investigation of the lives of ordinary people. Chen considered that this approach was sufficiently common to be considered a 'school' among the ranks of Taiwanese historians. Merchant manuals also provide information on certain key influential groups of merchants, and indeed many manuals originated from these groups, including the Jiangnan merchants and Huizhou merchants. For the Huizhou merchants, Chen was able to use merchant manuals to look

[64] Cox, N., and Dannehl, K., *Perceptions of retailing in early modern England* (Aldershot: Ashgate, 2007), p.75; Cox, *Complete tradesman*, pp.24-6.

not only into their mentality, but since many were produced in Huizhou, to explore many details of Huizhou merchant practice including details of trading routes and customer relations and practices.[65] Similarly, Guo Qitao in his study of merchant lineages identified a 'Huishang social strategy' of wealth acquisition in order to rise in the ranks of society by utilizing merchant manuals as a source.[66]

Beyond this, merchant manuals have been used by historians to chart intellectual change across space and time. Fritz Redlich examined a single merchant text, Jacques Savary's *Dictionnaire universal de commerce* of the eighteenth century, as a 'carrier of ideas'. The dictionary was a popular hit and was translated into many languages and spread across many editions in different countries. However, Redlich notes that these translations and editions were not just simple copies, but each was adapted for its audience. The French original edition contained concepts and ideas which may or may not have been useful to the British and so the British edition omitted certain things that had been contained in the French edition. Thus the study of these business dictionaries (which were effectively alphabetical merchant manuals according to Redlich) can tell us about comparative commercial development in the two countries.[67] Similarly, Timothy Brook called for the use of merchant manuals to trace merchant thought, and used a single manual as an exemplar of merchant values.[68] The Chinese historian Li Hu examined the *Maoyi xuzhi* (Essential knowledge for trade, appearing in compilations in 1854 and 1900) and

[65] Chen, *Ming Qing shiqi*, pp.3-30, 137-47.

[66] Guo, Qitao, *Ritual Opera and Mercantile Lineage: The Confucian Transformation of Popular Culture in Late Imperial Huizhou* (Stanford: Stanford University Press, 2005), pp.50-1.

[67] Redlich, 'Eighteenth-century business encyclopedia', pp.73-98.

[68] Brook, *Confusions of pleasure*, pp.215-8.

compared it to the *Shanggu bianlan* (Guide for traders and shopkeepers, 1792) to chart the development of capitalism in China, although unfortunately he used a 1900 edition of the *Maoyi xuzhi*, not realizing its contents were of a previous period and based on the contents of a late eighteenth century manual.[69]

Finally, business handbooks have been used to explore mentalities in the pre-modern period. Rabuzzi examined one text, *Speranders sorgfältiger negotiant und wechsler* (1706), a German merchant manual, to investigate merchants and their thought. As stated above this included analyzing explicit, particularly moral, statements, and the implicit statements which he classed as rhetorical devices. This he saw to be a lens through which to trace Albert Hirschman's battle of passions versus interests.[70] Similarly, Lufrano examined merchant manuals covering 300 years from the late Ming to the end of the Qing to identify Chinese merchant mentalities. He argued that Chinese business culture had its own unique characteristics, separate from those solely identified with commercialization. Specifically he argued for the presence of 'self-cultivation' and the reconciliation of merchant activity with Confucianism, and argued that this mentality could substitute for other official institutions[71]

Business handbooks, the core material used in this study, have been used to identify a wide range of issues. They have formed the part of some important studies on commerce

[69] Lufrano, *Honorable merchants,* pp.187-8; Wilkinson, E., *Chinese history: a manual* (Cambridge [Mass.]: Harvard University Asia Center, 2000), p.960.

[70] Rabuzzi, 'Eighteenth-century commercial mentalities', p.170.

[71] Lufrano, *Honorable merchants,* pp.51-67.

more generally in the seventeenth and eighteenth centuries. Putting these together comparatively can be used to find areas of similarity and difference in the different societies under investigation.

Sources

The manuals used here include all accessible handbooks for businessmen in the period, for both England and China. Wilkinson's guide to Chinese sources of history note around 20 to 30 handbooks extant for the period (although this includes a number which are solely route books), of which here 19 have been consulted.[72] Most detailed studies of Chinese merchant and business thought have used far fewer. Lufrano used seven handbooks in his study of late imperial Chinese business, all of which are used here, and Chen examined six.[73] On the English side, the English Short Title Catalogue identifies 18 business handbooks for the period, with seven dealing mainly with business ethics, all of which are used here. While we must be cautious about inferring actual behaviour from advice literature, these manuals did reflect and influence business practice.[74] However, this study concentrates on the ideal of the businessman, what was considered socially acceptable behaviour for the businessman, and for this, manuals offer a very useful source, as defining and conveying this ideal was one of their main aims.

[72] Wilkinson, *Chinese history*, p.959.

[73] Lufrano, *Honorable merchants*, p.10; Chen, *Ming Qing shiqi*.

[74] On the disparity between text and practice much has been written. Regarding businessmen and the ideal of the businessman see Grassby, *Business community*, pp.19-23; Brook, *Confusions of pleasure*, pp.215-8.

The increasing commercialization of China and England brought an obvious demand for handbooks describing how to deal with this new world. Most were written by businessmen for businessmen whose concern was with the most effective way to trade. The author of the *Dianye xuzhi* (Essential knowledge for the pawn trade) of the late imperial period argue his book to be based of his experience of the pawn trade and was designed to help those wishing to enter it, in 'no small measure'.[75] Defoe pointed out that his *Complete English tradesman* (first published 1726) was written from his experience of young tradesmen falling 'for want of those very cautions which are here given'.[76]

However, there were many written by those who were not actually engaged in business themselves and they portray what they thought the ideal of the businessman should be. In England, for example, some handbooks were written to promote religious ideals in business.[77] Others were influenced by moralist movements, such as the Reformation of Manners which aimed to restore a supposed lost morality. In China, scholar-merchants wrote handbooks heavily influenced by their classical Confucian education, often referring to classical Chinese works. The handbooks in China, had in fact, originated as an amalgam of route books and family moral handbooks which were heavily Confucian in their thought.[78]

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[75] Yang, L., 'Dianye xuzhi' [Essential knowledge for the pawn trade], *Shihuo yuekan* (July 1971), p.231.

[76] Defoe, *Complete English tradesman: vol.1*.(London, 1732), p.vii.

[77] Steele, R., *The religious tradesman* (London, 1776); Jackson, A., *The pious prentice, or, the prentices piety* (London, 1640).

[78] Lufrano, *Honorable merchants*, p.8; Brook, T., 'Guides for vexed travellers: route books in the Ming and Qing', *Qingshi wenti*, 4:5 (June 1981), pp.32-76.; Brook, T., 'Guides for vexed travellers: a supplement', *Qingshi wenti*, 4:6 (Dec. 1981), pp.130-40; Brook, T., 'Guides for vexed travellers: a second supplement', *Qingshi wenti*, 4:8 (Dec. 1982), pp.96-109; Franke, W., 'Merchant route books: a letter to the editors',

A variety of handbooks in both England and China detail many different aspects of what was the expected ideal behaviour of the businessman. There are manuals aimed at apprentices detailing the duties an apprentice should follow, such as how to treat one's master.[79] Some even include ideals on marriage and desirable friends.[80] There are directories detailing trade occupations and what was expected in each of the different trades.[81] There are 'complete' guides, giving ideals not only for apprentices but also more experienced businessmen such as Defoe's *The complete English tradesman*. There are manuals dealing with what was expected in specific trades and areas. The *Dianye xuzhi* was a Chinese guide to the pawnbroking industry, and records the ideal of behaviour for pawnbrokers.[82] Campbell's *The London tradesman* (1747) detailed the expected behaviour of tradesman of different trades in London. [83] Others deal with technical areas, such as law or accounting and the social conventions associated with them. Gerard Malynes's *Consuetudo, vel lex mercatoria* (1622), for example, gave advice on how merchants were expected to deal with legal disputes across national boundaries.[84]

Qingshi wenti, 4:8 (Dec. 1982), p.95; Wilkinson, E., 'Chinese merchant manuals and route books', *Qingshi wenti*, 2:9, pp.8-34.

[79] Wang Bingyuan, *Maoyi xuzhi* [Essentials for merchants], printed as an appendix to Zhang Zhengming, *Jingshang xingshuaishi* [The history of the rise and fall of the Shanxi merchants] (Shanxi guji, 1995), pp. 334-50.

[80] Barnard, J., *A present for an apprentice: or, a sure guide to gain both esteem and estate* (London, 1740), pp.51-67.

[81] Collyer, J., *The parent's and guardian's directory, and the youth's guide in the choice of profession or trade* (London, 1761).

[82] Yang, L., 'Dianye xuzhi' [Essential knowledge for the pawn trade], *Shihuo yuekan* (July 1971), pp.231-43.

[83] Campbell, R., *The London tradesman* (London, 1747).

[84] Malynes, G., *Consuetudo, vel lex mercatoria* (London, 1622).

The handbooks had great influence in disseminating the ideal of the businessman. Commercial titles in both England and China in this period increased rapidly, with improvements in printing. The number of commercial titles during the seventeenth century published and republished in London rose from 10 in the first decade to 72 in the last.[85] Some handbooks went through many editions, attesting to their popularity. We find Defoe's *The complete English tradesman* running through five editions by 1745, 18 years after the first edition and 14 years after his death.[86] In 1766 there was an edition published in Dublin, and later there were reprints of his work under different author names.[87] There is evidence that the print runs of some handbooks were large. The *Comes commercii* has been estimated to have sold 6,000 copies in total from three editions published from 1699 to 1715.[88]

In London, we find some booksellers publishing these works, and even specialist booksellers solely publishing commercial manuals appearing in the early modern period. In England business literature was sold at auctions. Reviews of them appeared in magazines. They were advertised in the popular press.[89] Their influence was so widespread that some were translated into several languages, especially the commercial encyclopedias. For instance the *Dictionnaire universal de commerce* (1723) was

[85] Glaisyer, *Culture of commerce*, p.104.

[86] Defoe, *Complete English tradesman* (London: 1745 edition).

[87] Defoe, *The mercantile library or, complete English tradesman* (Dublin, 1766); Wright, W., *The complete tradesman* (London, 1786).

[88] Glaisyer, *Culture of commerce*, p.105.

[89] *Ibid.*, pp.105-8.

translated into English, German, Italian and Russian.[90] The English handbooks have been found in the libraries of Pepys, Locke and Newton and women have been found to be readers.

Different formats hint at the manuals being used in a wide range of differing contexts. The small size of some manuals attests to them having been consulted for practical use. For instance *The pious prentice* (1640) was 16 cm in height, designed to be carried, as was *The compleat comptinghouse* (1683).[91] There were manuals bound together in collections and larger reference works with comprehensive indexes. The third edition of Malynes's *Lex mercatoria* (1686) was bound together with eight other books detailing various aspects of trade, such as bookkeeping and Lewes Roberts's *The merchants map of commerce* (1671) describing commercial conditions around the world had an index of twelve pages.[92]

Chinese handbooks are found in numerous libraries and were printed cheaply, hinting at mass editions. A high degree of literacy among the population meant there was a large segment that could use these books, and the period has been seen as one of a golden age for self-help literature.[93] There is evidence that many businessmen did own and possess these texts. However, their readership went beyond only businessmen and included those

[90] Redlich, 'Eighteenth-century business encyclopedia', pp.79-80.

[91] Jackson, A., *The pious prentice, or, the prentices piety* (London, 1640); Vernon, J., *The compleat comptinghouse* (London, 1683).

[92] Glaisyer, *Culture of commerce*, pp.108-9.

[93] Lufrano, *Honorable merchants*, p.19; Mote, F.W., *Imperial China 900-1800* (Cambridge [Mass.]: Harvard University Press, 2003), pp.941-2.

who were interested in the new commercial world, giving non-businessmen an insight into the ideals of the businessman. Some handbooks are included in general encyclopedias. One of the most popular encyclopedias (*Wanbao quanshu*) from the Ming and Qing dynasties included a merchant manual. Richard Lufrano has argued that the structure of the merchant manual indicated that they were used much. The format of short paragraphs and titles meant they were designed to be committed to memory and so for frequent consultation. The colloquial language used made it easy for those with less education to read them, hinting at a broad user base.[94]

Because of their longevity in print, the handbooks can be used to chart changes in ideals over time, offering an insight into what was considered important and what was not. Defoe's *The complete English tradesman* was published continuously through the eighteenth century, with new editions appearing even after Defoe's death in 1732. By the fifth edition in 1745, it included a chapter naming families of the 'English nobility' that owed their rise to trade, or had married into trade to increase their wealth.[95] Changes through time can be found in the Chinese handbooks. Here the eighteenth century compilation, the *Shanggu bianlan* contains a manual called the *Jianghu bidu* (Essentials for travellers). Most of this manual is in fact a copy of the seventeenth century text, the *Shanggu xingmi* (Solutions for merchants, 1635). However there are additions onto several sections, displaying how ideas had developed or changed.[96] Similarly, Barnard's

[94] Lufrano, *Honorable merchants,* p.20.

[95] Defoe, D., *The complete English tradesman: volume 1* (London, 1745), pp.298-315.

[96] Li, J., *Shanggu xingmi* [Solutions for Merchants] (1635), repr. in Yang, Z.,(ed.), *Tianxia shuilu lucheng* [Water and land routes of the empire] (Taiyuan, 1992), pp.270-343; 'Jianghu bidu' in *Shanggu bianlan*.

A Present for an apprentice printed originally in 1740 contained extensive detail on raising children, amounting to some eight pages, yet by the 1799 edition, this had been cut down to fill only two pages.[97] Reprints over long periods of time were quite common, pointing to a resurgence of the validity of advice. Steele's *The religious tradesman* (1776) was actually a reprint of the original manual of the seventeenth century.[98]

Manuals offer a uniquely focused guide to business culture in England and China. However, the bias of the authors affects the ideals presented and must be taken into account. The impact of the late seventeenth century campaigns for the Reformation of Manners was more than just an added emphasis on fair trade, and included ideals about avoiding vice into its version of the businessman's ideal. Handbooks from that period often contain information on the evils of gaming and drink, which was a large part of the Reformation of Manners.[99] The life experience of authors was also important. Defoe's experiences of bankruptcy led to a heavy focus on it and its dangers in his main work *The complete English tradesman*. The Confucian education of the scholar-merchants who wrote the handbooks found expression in the way ideas were expressed, often with reference to classical sayings and history, and the values that they thought that the businessman had to have, emphasizing traditional Confucian values such as righteousness. Handbooks focusing on the religious development of businessmen in England, often give a large part to prayer in the daily routine of the businessman and often justify values and ideals with reference to the Bible.

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[97] Barnard, J., *A present for an apprentice*, (London, 1799), pp.125-6.

[98] Steele, *Religious tradesman*, pp.iii-iv.

[99] Hunt, *Middling sort*, pp.101-24.

Other Sources

In addition to business handbooks, I use contemporary literature to gain insights into the ideal of the businessman. During this period, commercialization had an impact on literature. In China, novels came to the fore, the *shishang*, scholar-merchants emerged as a new class, and a new literature developed accordingly, according to Tina Lu.[100] Lu's study takes the novel *The Plum in the Golden Vase*, first published around 1590, as an example. Its main protagonist, the dubious Ximen Qing, is a merchant. The novel traces his fortunes and that of his house from rise to fall. Lu argues that it gives an insight into business culture and Chinese culture more generally through portraying a complete cross-section of daily life in its huge cast of characters, which include many businessmen. However, interpretation is difficult though since the novel has been described as a Confucian dystopia in which the characters act the opposite of the ideal.[101] This genre of business literature also includes a number of short stories and folktales which put ideal behaviour as their core theme, and include stories relating to business behaviour and moral conduct. For example Feng Menglong uses his stories to call for decent behaviour in the eighteenth century.[102]

There are other literary sources which offer some evidence on business culture. One alternative source are guidebooks describing scenes of the city. One of the most notable

[100] Lu, T., 'The literary culture of the late Ming (1573-1644)' in K-I. Sun Chang and S. Owen (eds.) *The Cambridge history of Chinese literature, volume 2: from 1375* (Cambridge: Cambridge University Press, 2010), pp.99-127.

[101] *Ibid.*, pp.101-111.

[102] *Ibid.*, pp.121-7.

is the *Yangzhou Huafang lu* (The decorated boats of Yangzhou, 1795), a record of the city of Yangzhou published in the late eighteenth century. Its author Li Dou, describes a trip along the main canal through the city and his description includes literati gatherings, storytellers and drinking, through which he incidentally describes the operation of a wine shop.[103]

Similarly, the rise of commerce in England coincided with an expansion in printed books and writing of all kinds. Business was increasingly a topic for authors, poets and playwrights. These works give a useful insight into the ideal of the businessman. John McVeagh in his *Tradefull merchants* argued that this literature reveals the moral struggles of the time, as it came to terms with rapid commercialization which raised new questions of right and wrong.[104]

One set of sources unique to China which are used extensively here are the gazetteers, or local histories. These are one of the most important sources for Chinese history, and originated in the Song dynasty. The Ming-Qing period is regarded as a golden age for these sources, with around 7000 published in the Qing alone.[105] The gazetteers were

[103] Li Dou, 'The painted barges of Yangzhou: excerpts' [trans. Lucie Borota], *Renditions*, 46 (1996), pp.58-68.

[104] McVeagh, *Tradefull merchants*, pp.ix-xiv.

[105] Will, P-E., 'Local gazetteers as a source for the study of long-term economic change in China: opportunities and problems', *Hanxue Yanjiu*, 1985:3/2, pp.707-38; Zurndorfer, H.T., *China bibliography: a research guide to reference works about China past and present* (Leiden: E.J. Brill, 1995), p.187; Leslie, D.D., 'Local gazetteers', in D.D. Leslie, C. Mackerras and G.Wang (eds.), *Essays on the sources for Chinese history* (Canberra: Australian National University, 1973), pp.71-4; Wilkinson, *Chinese history*, pp.155-61.

records kept by local officials and scholars which record the details of a specific area. They include extensive geographical information including buildings and monuments, taxes, markets and local products, customs and personalities. They often include biographies of local noteworthies, including a number of businessmen. It is here that we find information on what was seen as ideal behaviour by the Confucian literati. Those writing these biographies were officials and scholars, some of whom had business experience.[106] They selected what was exemplary behaviour by merchants, thus describing their version of the ideal businessman. This included details about successful businessmen and especially on their charity work. The selection used here are from a published collection of over 1,513 entries relating to the Huizhou merchants, including many merchant biographies, edited by Zhang Haipeng and Wang Tingyuan.[107]

For England, newspapers and periodicals are used to help gain insight into the ideal of the businessman. Newspapers in England began to appear in earnest in the late seventeenth century although there had been other non-regular publications to spread news earlier. They first began to appear in London, and after 1700 spread to the provinces.[108] Newspapers dealt with a variety of different types of information and emphases. For instance, some concentrated on commercial information, and papers such as The *World and Fashionable Advertiser* (published from 1787 to 1794) which focused more on local

[106] Ebrey, *Chinese civilization*, p.150.

[107] Wang, T. and Zhang, H., *Ming qing huishang ziliao xubian* [Selected materials on the Ming-Qing Huizhou merchants] (Huangshan shushe, 1997).

[108] Raymond, J., *The invention of the newspaper: English newsbooks 1641-1649* (Oxford: Oxford University Press, 1996), pp.1-19; Raymond, J., 'The newspaper, public opinion, and the public sphere in the seventeenth century', in J. Raymond (ed.), *News, newspapers, and society in early modern Britain* (London: Frank Cass, 1999), pp.109-40; Sharpe, *Early modern England*, pp.123-4.

scandal and intrigue than news. Others ran for considerable periods of time. The *London Evening Post* was published from 1727 to 1806, The *Whitehall Evening Post* from 1746 to 1802 and The *Public Advertiser* from 1752 to 1794. Their letters and editorials portray what many thought to be the ideal of the businessman, and many are intended to be instructional.[109] In this regard, another important source are magazines, particularly *The Tatler* and *The Spectator*, published in the early eighteenth century, and written largely by Joseph Addison and Richard Steele. They played an important part in the Reformation of Manners and pioneered a new genre, the periodical essay, which was largely used to provide moral instruction.[110]

All these sources are used to gain insight into business culture and the ideal of the businessman. Now the structure of the thesis will be outlined.

Outline of the thesis

Ideals are slippery things. This makes the focus on business advice literature important. However, these sources need to be put into context, to understand why some ideals are upheld and others not. It should be remembered that these sources were written by different people with different agendas and conflicting pictures emerge as well as change over time. In the body of this thesis three main areas of business culture – attitudes to the market, wealth and family - are looked at. The main argument is that these show a

[109] Glaisyer, *Culture of commerce*, p.103.

[110] Bond, D.F., 'Introduction', in D.F. Bond, *The Tatler: volume 1* (Oxford: Oxford University Press, 1987), pp.ix-xxix.

surprising degree of similarity, one in which ‘honour’ through trust had to be attained, and not only for practical reasons, charity was expected, and wealth was not the be all and end all of trade. Merchants in China and England were at the same time to be careful in trading and who they traded with. In their views on the role of the family, and certain ideas on the market, though, the two business cultures do show some major differences.

The perception of the market and the prescribed responses to it are considered in the first chapter. This looks at, first, how the market was presented in business advice literature. I find that in both China and England, the market was seen as a world full of danger, both through its uncertainties and fluctuations and through the crime which the businessman might encounter. The business advice literature provided advice with how to deal with these dangers. The response available to the businessmen may be divided into two aspects and this was presented in similar ways in both regions. The first aspect looks at what the literature demanded of the character of the businessman. This included caution in order to avoid making mistakes: manuals in both regions argued that consideration was needed before acting. The tradesman had to be honest, in order to safeguard his reputation. And both sets were argued to have been superstitious in order to avoid trading on unlucky days in order to avoid incurring the wrath of God and fate. However, in the English handbooks we do find a particular anxiety about the market and its impact on the ideal of honesty, though this was justified as being inherent in nature of the market. The second part of this response to the dangers of the market dealt with what attitudes businessmen were expected to take in their use of law. Both regions’ manuals advised

businessmen to avoid going to state courts wherever possible and to always try more 'friendly' means of dealing with disputes first.

The ideal attitudes to wealth that businessmen were advised to have is the subject of the second chapter. This is important in looking at the motivation of businessmen. The ideals of making, managing and using wealth in both regions is compared. Here we find in both thrift and frugality is espoused as a necessity. Businessmen were expected to use their wealth in certain ethically appropriate ways. This included engaging in charity, and the businessmen in China and England were expected to display many of the same values favouring helping in times of need, expenditure upon education and giving alms to the poor. One area of difference between the regions is in the setting up of economic schemes to help the poor, something that seems to have featured only in England. Finally, manuals comment in both areas about making wealth. Here we find, rather surprisingly, that businessmen were advised to be content with their lot and that they were warned that making wealth a chief aim was a false step, both for pragmatic reasons and religious or ethical reasons.

The final chapter of this thesis examines the role of family and friends in business. This is split into two parts. The first part examines the attitudes businessmen were advised to have towards friends. Here the advice given by manuals is surprisingly similar at all stages. The ideal presented in England and China was to make friends cautiously, and then deal with them cautiously at all times, and always be ready to call off a friendship. The second section of the chapter examines the ideal behavior of the businessman in his

dealing with family members. The business advice literature of China goes very much further in this regard portraying deeper obligations to family members. This is particularly evident in guidance on the obligations of children to their parents and ancestors. These obligations go wider, that is that the compass of the family was seen to include extended family through obligations between brothers and other branches of the family. This is the single biggest difference in looking at the ideal of the businessman in China and England which arises from this comparative study.

Chapter 2

The market: dealing with the market

This chapter examines how the market was represented and the responses that businessmen were expected to take to it, in the business advice literature. There are two important areas to look at in guidance on merchant response to the market. The first concerns the character of the businessman. The literature has portrayed Chinese businessmen as overwhelmingly relying on informal rules to deal with the problems of trade. Historians examining the business handbooks of China have argued that they were advised to be of a high moral quality in part because of the pressures of trade. This morality is held to be uniquely Confucian. Richard Lufrano in his aptly named *Honorable merchants* argued that this morality was maintained through a mechanism of 'self-cultivation'. He deliberately chose this term because it brought to mind Confucianism, which he argued supplied the core values of business education in China. This process of 'self-cultivation' involved learning 'how to deal with people and live to cultivate appropriate personality traits'. As a result 'a properly cultivated personality helped the merchants to avoid the pitfalls of their economic environment and to conduct their trade profitably without compromising their standing as reputable gentlemen'.[1]

A similar analysis was put forward by Xuewen Chen, in his detailed analysis of one merchant's handbook. Chen noted in particular how handbooks advised merchants to

[1] Lufrano, R, *Honorable merchants: commerce and self-cultivation in late imperial China* (Honolulu: University of Hawaii Press, 1997), pp.2-3.

adopt a particular set of moral standards, with an emphasis on fairness, opposing 'crooked ways', and not making a profit at the expense of morality. This, he argued, showed that the merchant class had absorbed a set of social ideas from Confucianism. Moreover, teaching morality in this way would help merchants achieve social acceptance.[2] Tim Brook, examining the same manual, observed that Confucian ideals were 'turned to commercial purpose by the equally strong message in the commentaries that stable, long-term profit requires honesty, not deceit'. Another aspect of this 'Confucian' way was the manual's advice for caution in business dealings, which Brook notes, 'tallies nicely with Confucian concerns about diligence and modesty translated to the commercial sphere'.[3] Finally, inculcating Confucian morality and caution was seen to have been a function of the handbooks that merchants recognized, 'Mid-level merchants relied on guidebooks advising them on how to become rich and yet live a virtuous Confucian life by emphasizing prudence and avoiding mistakes'.[4]

The literature on attitudes to the market in England is more ambiguous. Richard Grassby argued in regard to honesty, that business and ethics were incompatible because 'the practice of business was fundamentally incompatible with personal, familial and social

[2] Chen, X., *Ming Qing shiqi shangye ji shangren shu zhi yanjiu* [Research on business books and merchant books of the Ming and Qing periods] (Hongye, 1997), pp.177-8.

[3] Brook, T., *The confusions of pleasure: commerce and culture in Ming China* (California: University of California Press, 1999), p.216.

[4] Myers R.H., and Wong, Y-C., 'Economic developments, 1644-1800', in Willard J. Peterson (ed.) *Cambridge history of China volume 9, part 1: the Ch'ing empire to 1800* (Cambridge; Cambridge University Press, 2002), p.577.

values'.[5] This incompatibility was presented as the image of the businessman. Grassby argued that popular literature in England 'exposed the connection between crime and the retail trades' and that there was popular religious denunciation of trade from Radicals and Puritans, who saw business as unethical and an 'oppression of fellow Christians'.[6] However, other historians have argued that in England establishing credit and reputation demanded many similar qualities to those that were advocated in manuals in China, including social responsibility and honesty. English speaking society incorporated the ideal of the 'upright businessman' with a high degree of commercial probity, and even held the belief that misfortune in business may be divinely inspired as payment for personal shortcomings.[7]

Developing the character of the English businessman was an important tool in preparing them for their careers. Christopher Brooks has suggested that part of the apprentices' training consisted in inculcating ideals for trade, which included Christian charity and honesty - the 'bourgeois' values as he termed them.[8] The importance of credit was emphasized in advice books. Julian Hoppit noted that 'For page after page, advice books chastised indolence, debauchery and extravagance and extolled virtue, industry and frugality…[they] took their readers through courses of character building', emphasizing

[5] Grassby, R., *The business community of seventeenth-century England* (Cambridge: Cambridge University Press, 1995), p.296.

[6] *Ibid.*, p.294-5.

[7] Wrightson, K., *Earthly necessities: economic lives in early modern Britain* (New Haven: Yale University Press, 2000), pp.300-3.

[8] Brooks, C., 'Apprenticeship, social mobility and the middling sort, 1550-1800', in J. Barry and C. Brooks (eds.), *The middling sort of people: culture, society and politics in England, 1550-1800* (London: Macmillan, 1994), pp.76-8.

the importance of credit and honesty.[9] Moral movements also sought to instil virtue into trade. For example the Campaign for the Reformation of Manners of the eighteenth century, had a membership that mostly consisted of businessmen and traders.[10]

These attitudes to the market may be characterized as an 'informal' response, that is a response to risk rooted in business culture. Another option may be termed to be the 'formal' response, that is recourse to sets of written rules. Some historians have argued that this was a unique feature of England and her market. North argued that it was the greater use of formal institutions protecting property rights which led England to prosperity in the eighteenth century and beyond. He argued that the Glorious Revolution of 1688 established controls on the actions of the monarchy and secured the authority of parliament and the law courts. The monarchy could no longer arbitrarily seize resources. This encouraged subsequent economic developments, especially the formation of capital markets and increased the possibility to borrow by government.[11] Other historians have also claimed that formal rules came to play a greater part in the everyday lives of people in early modern England, providing greater security for property rights.[12] In contrast,

[9] Hoppit, J., *Risk and failure in English business 1700-1800* (Cambridge: Cambridge University Press, 1987), p.164.

[10] Hunt, M., *The middling sort: commerce, gender, and the family in England, 1680-1780* (California: University of California Press, 1996), pp.101-24.

[11] North, D.C., *Institutions, institutional change, and economic performance* (Cambridge: Cambridge University Press, 1990), pp.138-9.

[12] Brooks, C.W., *Law, politics and society in early modern England* (Cambridge: Cambridge University Press, 2008), pp.1-10, 428-32.

China in this period is characterized as relying more upon informal rules, that is 'cultural' traits to enforce property rights.[13]

There is some debate about whether this difference in formal institutions contributed to the Great Divergence. On the one hand, some members of the California School, such as Roy Bin Wong, claim that too much emphasis has been placed upon formal mechanisms due to the New Institutional Economics. He argues that in fact property rights were just as secure in China when one accounts for the effects of formal and informal mechanisms in China, which were complements, not substitutes, as they were in England.[14] Deirdre McCloskey argues that the institutions of formal law and secure property rights of England had been established far earlier than the seventeenth century and so did not make the difference behind divergence, and Jack Goldstone has argued against an automatic link between the common law of England and industrialization.[15]

However, others have challenged this, or rather reasserted the orthodoxy. For example Debin Ma argues that the nature of law did have a large and crucial role to play in the economic development of China. Arguments in favour of this interpretation include the limited long-run growth potential of informal rules, which cannot easily evolve since they

[13] Bin Wong, R., 'Formal and informal mechanisms of rule and economic development: the Qing empire in comparative perspective," *Journal of Early Modern History*, 5 (2001), pp.387-408; Zelin. M., 'A critique of rights of property in prewar China', in M.Zelin, J.K. Ocko and R. Gardella (eds.), *Contracts and property in early modern China* (Stanford, California: Stanford University Press, 2004), p.27.

[14] Bin Wong, 'Formal and informal mechanisms' pp.387-408.

[15] McCloskey, D., *Bourgeois dignity: why economics can't explain the modern world* (Chicago: Chicago University Press, 2010), pp.325-35; Goldstone, J., *Why Europe? the rise of the West in world history, 1500-1850* (Boston: McGraw-Hill Education, 2009), pp.108-15.

are not codified and cannot be subject to public debate and revision, and the decreasing effectiveness of local informal rules in larger groups.[16] English manuals also gave reasons to avoid the law. Peter Earle noted that businessmen were advised to try other ways before going to formal law. Arbitration was often used to settle disputes, and frequently neighbours were chosen as arbitrators. Earle noted that this was a 'society which usually preferred to avoid the publicity and expense of law'.[17] There was also the problem Grassby noted that secular law in this period was 'slow, costly, uncertain and a last resort'.[18]

This chapter asks how different responses were in England and China, by exploring the business advice literature. In short, how were businessmen advised to deal with the market? The first section looks at how the market was presented in business advice literature in China and England. The second section examines what was presented as the ideal informal response of the businessman to the market, especially bearing in mind the emphasis on a 'Confucian' honesty often identified in works on the handbooks of China. The final section looks at how businessmen were advised to approach formal law.

[16] Huang, P.C.C., *Civil justice in China: representation and practice in the Qing* (Stanford, California: Stanford University Press, 1996), pp.10-2; Ma, D., 'Law and economy in traditional China: a "legal origins" perspective on the Great Divergence', in D. Ma and J.L. van Zanden (eds.), *Law and long-term economic change: a Eurasian perspective* (Stanford: Stanford University Press, 2011), pp.46-67; Zelin, 'A critique of rights of property', pp.27-30.

[17] Earle, P., *The making of the English middle class: business, society and family life in London, 1660-1730* (London: Methuen, 1989), p.242.

[18] Grassby, *Business community*, p.298.

The market

In most business manuals the nature of commerce itself was seen as inherently dangerous. One major theme in the Chinese manuals is the fluctuation of both prices and the fortunes of the merchants which, authors suggested, had to be accepted as an inherent part of the merchant's existence. In the *Shanggu xingmi* prices were presented as being susceptible to wild change.[19] In addition, commerce was seen as something requiring continual precautions. The *Shanggu xingmi* warns that nine out of ten risks in business are perilous. In the *Dianye xuzhi* merchants could learn about the 'five precautions' of trade and the need to guard against error.[20] Manuals generally share a belief in the ultimate instability of markets. In the *Shishang yaolan* for example the danger of fluctuation is highlighted as prices 'go up and down and are never regular'.[21] The manual goes on to note the various dangers attending this constant fluctuation in fortunes and the way of trade.

In addition to the innate risks of markets the Chinese handbooks set out the dangers of crime that merchants faced in trade. An area of possible trickery which is often mentioned in the manuals is the need to check silver ingots when they were handed over. In the *Maoyi xuzhi* the author emphasized the need to be careful against forgery, and laid out what to look for in silver: one had to 'look at the purity of the silver by looking at the

[19] Li, J., *Shanggu xingmi* [Solutions for Merchants] (1635), repr. in Yang, Z.,(ed.), *Tianxia shuilu lucheng* [Water and land routes of the empire] (Taiyuan, 1992), p.271.

[20] Li, *Shanggu xingmi*, p.275; Yang, L., 'Dianye xuzhi' [Essential knowledge for the pawn trade], *Shihuo yuekan* (July 1971), p.238.

[21] *Shishang yaolan* [Essentials for gentlemen and merchants] (seventeenth century), p.6.

complete ingot, its base, where it came from and where it was produced. If the ingot has no rim then you can doubt its validity'.[22] The *Huoji xuzhi* (Essentials for partners) presented similar methods to check the validity of silver, adding that if in doubt one should cut it in two to make sure that it was not copper.[23]

There were particularly elaborate schemes that the merchant had to be careful of when traveling. One was described in extreme detail in the *Gongshang qieyao* (Essentials for the artisan and merchant, 1792), in a section entitled 'Many boats gang up to swindle you, you must see through this'. This elaborate scheme began when a merchant boarded a boat in good faith to travel. However, the boatman and all concerned would be in on a trick to fleece him. Part way through, the boat would be stopped by 'officials', who were actually fellow bandits in league with the boatman, who would take the merchant's goods: 'You will think, wrongly, that you have been subject to an actual disaster, and be grateful that you were not arrested. Please take note of this experience'. [24]

As a result of crime, manuals contained detailed warnings about the dangers of business. Trade routes in route books and manuals from China were presented as threatening and dangerous, as well as arduous. In the route book, the *Yitong lucheng tuji* (Comprehensive

[22] Wang B., *Maoyi xuzhi* [Essentials for merchants], printed as an appendix to Zhang Zhengming, *Jingshang xingshuaishi* [The history of the rise and fall of the Shanxi merchants] (Shanxi guji, 1995), p. 338.

[23] *Huoji xuzhi* [Essentials for partners], reprinted as part of Ju Qingyuan, 'Qing kaiguan qianhou de sanbu shangren zhuzuo' [Three early Qing merchant books], reprinted in *Zhongguo jindaishi luncong*, 2nd coll. Vol.2 (Taibei, 1958), p.241.

[24] *Gongshang qieyao* [Essentials for the artisan and merchant] in Wu, Z. *Shanggu bianlan* [Guide for traders and shopkeepers] (1792), p.19.

routes in maps and notes) several routes were described as 'perilous'. Other routes are described as plagued by thieves.[25] Travelling by boat was especially dangerous. According to the *Shanggu bianlan*, merchants needed to be alert. If other passengers did not have much luggage then one had to be especially careful because that meant that one's fellow travellers might not be travelers at all, but rather rogues and thieves.[26] Transport by road was the focus of detailed warnings about danger. The *Gongshang qieyao* detailed the many perils which may befall the merchant in his travels if he were to take a short cut. In a section entitled 'Walking on a road, do not greedily take a short cut' it described the perils of taking unfamiliar shortcuts advised by locals which in all probability would lead to the merchant getting lost, ending up hungry and tired and 'bitter for having ever taken the short cut.' [27] In addition, manuals gave warnings about hiring people to help carry goods and wares.

In manuals published in England, the danger for businessmen of fluctuating markets was also readily apparent. Steele in *The religious tradesman* noted that markets were unpredictable: 'the rise and fall of the value of commodities, often depend upon such uncertain or unknown causes, that the deepest penetration is not able to fathom' where 'Futurity is hid from us'.[28] Once a tradesman had made his fortune, Defoe advocated taking a moderate path or even getting out of trade altogether to escape danger. Even after more than twenty years of trading a tradesman could face disaster because rapid

[25] Hunag, B., *Yitong lucheng tuji* [Comprehensive routes in maps and notes] (1570).

[26] Li, *Shanggu xingmi*, pp.294, 296.

[27] *Gongshang qieyao*, p.20.

[28] Steele, R., *The religious tradesman* (London, 1776), p.35.

changes of fortune could still take place. 'A tradesman is never safe…No Estate is so big as not to be in Hazard…the Tradesman is not past the Danger until his Bottom is wound up', Defoe warned, before recounting the mighty changes of fortune experienced by even the most successful businessmen. Ultimately, he concluded, 'if a man riding in his Coach and Six with 20000l. in his Pocket, may sink under the Disasters of Trade, who then can say he is safe, and out of Danger'.[29]

Defoe argued that the effect of shifts in markets actually became more important as businessmen grew more successful. Richer tradesmen would be prone to taking larger risks, making the need to get out all the more urgent: 'Large Adventures are the fate of large Stocks in Trade; Men in the Height of Trade do not, like young Beginners, venture a little here and there; consequently, if Losses come, they fall heavy'.[30] A tradesman's fortune and success in the game of business could only be known at the end of his career, he warned: 'Death only determines their Characters…we have seen flourishing Tradesmen carry it on with a full Credit, and a great Stroke of Business to the last, and when they have died, not leave enough to bury them'.[31]

Newspapers also conveyed an impression that fast changing fortunes were an unavoidable feature of life in business. On essay in *The Spectator* commented that a tradesman's credit was susceptible to being destroyed at a stroke through 'whispers' where:

[29] Defoe, *The complete English tradesman, volume 2* (London, 1727), p.102.

[30] *Ibid.*, pp.174-5.

[31] *Ibid.*, p.204.

> an ill-Word may change Plenty into Want…reduced to Beggary. How little does a giddy Prater imagaine, that an idle Phrase to the Disfavour of a Merchant may be as pernicious in the Consequence, as the Forgery of a Deed to bar an inheritance would be to a Gentleman?

Indeed words acted speedily 'Fire and Sword are slow Engines of Destruction, in Comparison of the babbler in the Case of the Merchant'.[32] That fortunes could be lost in an instant in the marketplace was a fact never far from the minds of those writing about it.

In England, as in China, we find warnings that crime which could blight the tradesman as easily as the anonymous turmoil of the marketplace. Counterfeiting was one threat. For example, in *Adam's Weekly Courant* in 1778 a tradesman, who had been a victim of counterfeiting, complained of the vast increase in 'the circulation of counterfeit halfpence', noting the extent of it had risen to such levels that 'every market town in Cheshire and its vicinity have discontinued to take the new Copper' and that 'it is heaped in upon us by our neighbours'.[33] We find numerous references in papers to those caught making or having counterfeit shillings or bank-notes.[34]

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[32] *The Spectator*, November 9 1711, in *The Spectator* (ed. D.F. Bond), ii, pp.350-1.

[33] *Adam's Weekly Courant*, December 29 1778.

[34] For example: *General Evening Post*, February 17, 1774 reporting the capture of two counterfeiters, asking for change then changing back replacing the money with counterfeit money. They were caught by a spritely shop owner springing over the counter and locking the shop door, capturing them.; *Middlesex Journal or Chronicle of Liberty*, April 6 1772 reporting an 'eminent tradesman in Holborn' being caught with counterfeit shillings, having been turned in by his servant; *Gazetteer and New Daily Post* December 2 1780, 'a capital tradesman' was found with a number of forged bank-notes; *Middlesex Journal or Universal Evening Post*, October 15 1772, another 'capital tradesman' absconded after being 'charged with making counterfeit shillings'.

Numerous other forms of swindle were apparent as threats to businessmen. Though these do not feature in the manuals, accounts of such crimes were given prominent place in newspapers. Sometimes this could involve sleight of hand from the most surprising quarters. The *Morning Post* of April 9th 1778 reported that a 'noble Peer' had entered a jewellery shop 'not far from Charing Cross' and asked to look at several 'trinkets'. When the shopkeeper turned his back he slipped them into his pocket. However, the tradesman had to be on his guard. In this instance challenging 'his Lordship' he 'jumped across the counter, and seizing him by the collar, swore he should not stir till he had returned them, yet the criminal then threatened to 'cut him to pieces' upon which the tradesman had to threaten to ring his bell and get others to join in on his side, where the culprit returned the 'pilfered trinkets'.[35] Another report claimed that people should be on the lookout for 'two very genteel dressed women who stole several things lately from a shop in Bedford-street Covent-garden: in order that these well-dressed thieves may be prevented from plundering the honest and industrious tradesmen'.[36]

Violent crimes against tradesmen were also a risk. For example, reports in the *Morning Post* in 1800 described a shopkeeper who heard her shop window broken and 'looking round she saw an arm in at her window taking every thing within reach'. In the end the shopkeeper with the aid of her sister managed to seize the criminal.[37] There were numerous reports in newspapers of tradesmen held up at knife or even gun point. Finally,

[35] *Morning Post and Daily Advertiser*, April 9, 1778.

[36] *Gazetteer and New Daily Advertiser*, October 16, 1764.

[37] *Morning Post and Gazetteer*, March 11, 1800.

it was not just criminals who could act violently towards tradesmen, sometimes tradesmen did. In *The World and Fashionable Advertiser* of 1787 reports a tradesman killing his apprentice: 'the dreadful effects of giving a loose to the passions, was never more fully exemplified than in the recent case of a tradesman near London-bridge, who a few days ago murdered his apprentice, by giving him a violent blow in his rage with a hammer'.[38]

In sum the market was fraught with danger. It was seen as a volatile and uncertain place in both China and England by its nature. Prices were not constant and the fates and fortunes of tradesmen could be easily won and lost. And crime was a constant danger with various swindles apparent.

The character of the businessman

The manuals advised businessmen to cultivate a set of character traits that could help deal with the dangers of the market they described. Despite differing contexts, these traits shared a number of similar key features. This section deals with three areas that were particularly central to the values of English and Chinese business cultures: caution, honesty and superstition.

[38] *World and Fashionable Advertiser*, November 10, 1787.

Caution

Aversion to excessive risk is valued in business culture in both cases, for philosophical and religious reasons. The handbooks of China argued that the way to succeed in business was not through quick overnight gains, but through long, slow, steady profits. One of the concepts referred to in the *Dianye xuzhi* and in other manuals was that in order to succeed in trade one had to take the 'middle way' (zhong he), achieving balance, and providing protection for one's future generations.[39] This concept is related to Confucian and Taoist philosophical ideas of taking the middle path, that is a path of moderation. The manual emphasizes that the middle way is the way to a stability in which 'how could one not be happy?'[40] The *Shanggu xingmi* argued similarly that 'one who takes excessive risk will collapse, one who maintains a just medium will be level and stable'. The explanation argues that modest power and wealth is enough to protect oneself.[41]

Steele in the English handbook *The religious tradesman* infused a religious element to his recommendation of caution in business. Risking all for a small profit could incite divine scorn 'Whatever the apprehensions these persons may have of their sagacity and prudence, the world cannot produce a *greater fool*, than he that will affront God, injure his neighbour, and destroy his own soul, for the sake of a *little monetary gain*'.[42] Such 'foolish hopes' brought destruction to the businessman, Steele warned: 'How many

[39] Yang, 'Dianye xuzhi', p.239.

[40] *Ibid.*, p.238.

[41] *Shanggu xingmi*, p.318.

[42] Steele, *Religious tradesman*, p.52.

Tradesmen are ruined by their own vain hopes!' for the hope of some distant 'enriching scheme'.[43] The sin of vanity, in short, would cause a businessman's downfall. Defoe advocated that one should seek to make moderate profits over a long period of time rather than be tempted by the possibility of large fortunes in a short space of time: 'Let the wise and wary Tradesman take the Hint, keep within the Bounds where Providence has placed him'.[44]

Going for large overnight gains was condemned for pragmatic as well as philosophical reasons. In the *Shanggu xingmi*, the reader is told that 'light profits are the way to wealth'. Here the author argued that profits of only 20 to 30 per cent should be aimed at, whereas profits of 70 to 80 per cent could not be maintained.[45] In the *Dianye xuzhi* there are warnings against seeking for petty gains. This was seen as carrying the risk of not protecting one's name and reputation.[46] More broadly, manuals argue against greed. The *Shanggu xingmi* gives the example of a *li ren*, that is one obsessed with profit. Rather a businessman should choose stability or else they would meet with misfortune.[47] The businessman should only take what was sufficient to support his family, and nothing more, and not take any risks even if they did look good.[48]

[43] *Ibid.*, p.42.

[44] Defoe, D., *The complete English tradesman: volume II* (London, 1732), p.96.

[45] Li, *Shanggu xingmi*, p.311.

[46] Yang, 'Dianye xuzhi', p.234.

[47] Li, *Shanggu xingmi* ,p.280.

[48] Ibid., p.307.

A similar caution was expressed by Defoe in *The complete English tradesman*. On trading practice he advised merchants to stick to trading within affordable means, and avoid 'overtrading' which Defoe declared 'to be to a shopkeeper as ambition is to a prince'.[49] The twin dangers he identified were either taking on too much stock which could then not be sold, resulting in large debts, or in giving out too much credit which might not be repaid in time. The tradesman had to guard against too many or too large undertakings and needed 'be content with the gain of his own trade…neither led by ambition, or avarice'.[50] In *The way to be wise and wealthy* (1755) the author also warned against the excessive desire to make profits where, in the absence of large profits, the merchant could come to make foolish decisions. Such tradesmen were 'regarding not the proverb, That light Gain makes a heavy purse'. The manual echoed the call not to trade beyond one's stock. The overall antidote for businessmen was to be 'content with moderate Gain'.[51]

Steele, in *The religious tradesman* also saw caution as a skill to survive the market. He advised a 'prudent' choice of the several circumstances of trade, sticking with those goods that were tried and tested to deliver a secure livelihood, and avoiding 'over-charging yourselves with dear or changeable goods'.[52] Trade needed 'mature deliberation', not immediately jumping at every opportunity that presented itself without thinking it through; otherwise 'even men of ingenuity are often ruined by their

[49] Ibid., pp.57-8.

[50] Defoe, *Complete: vol.I.*, p.68.

[51] Merchant, *The way to be wise and wealthy* (London, 1755), pp.46-7.

[52] Steele, *Religious tradesman*, p.35.

rashness'.[53] A tradesman had to be careful to match his trading affairs to his ability. Steele outlined numerous factors that constrained a merchant's enterprise. Strikingly, the first was mind. Memory, in particular, he saw was a 'ship' that 'overladen it sinks': the moral was to limit business and 'when you are overburdened…draw your business into less compass'.[54] Likewise what a trader could physically and financially take should prove to be a limit.[55]

However, the handbooks do argue that caution was a skill that needed to be learnt if a businessman was to tackle the market. The importance of acting at the right time is emphasized in the *Shishang yaolan*; one can lose all by not acting at the correct time: 'do not mistake the time, when to do trade'.[56] The *Shishang leiyao* (Essentials for gentry and merchants) argues that, while uncertainty in trade is to be expected, yet by acquiring knowledge and skill one could know when to trade: 'There is much uncertainty in business. Prices are not steady. One needs to know when to buy and sell. One needs to know people and if they are good or bad'.[57] The manuals argue that a merchant could attain knowledge that would help them survive and prosper in dealings in the market.

An important aspect of this advice was that businessmen had to be cautious in dealing with people. A large part of the Chinese merchant manuals deals with character training,

[53] *Ibid.*, p.37.

[54] *Ibid.*, pp.37-8.

[55] *Ibid*., p.39.

[56] *Shishang yaolan*, p.5.

[57] *Shishang leiyao* [Essentials for gentlemen and merchants] (1626), repr. in Yang, Z., *Mingdai yizhan kao* [Studies in the Ming postal relay system] (Shanghai, 1994), p.301.

that is training in how to interpret people's characters, particularly how to spot those who will be dishonest and try to take advantage of you, against whom the merchant had to be on his guard. Spotting criminals was seen as a skill that should be learnt. In the *Shanggu xingmi*, it was stressed that by looking at people a businessman might calculate what type of person they were: 'You must look someone up and down, and then you can evaluate what type of person they are'.[58] For instance, the speed with which they answered questions was held to have been indicative of whether they were telling the truth. The way in which they talked to you, whether directly or looking to one side was another marker. If someone talked to you in private, it meant that they were trying to trick you, since they did not want others to hear that they were charging you a higher price.[59] Particular caution needed to be exercised when lending money to buyers according to the *Maoyi xuzhi*. Here customers using 'sweet words' was a sign of danger that lending money would be foolish.[60]

However, character training was not unique to the Chinese manuals. Barnard in his *A present for an apprentice* argued for this skill to be cultivated in aspirant traders. Looking at 'obliging', a businessman had to discern how people would treat you. One way to do this was to study their 'tempers': the studying of the dispositions of men, is of great use; not only in what I have said but in the management of all Affairs'. Furthermore, Barnard recommended that to help settle matters of arbitration, not only people's tempers but examining a person's physical features was important : ''tis very expedient to be skill'd

[58] Li, *Shanggu xingmi*, p.272.

[59] *Ibid*., pp.272, 273, 275, 278, 279, 293, 321.

[60] Wang, *Maoyi*, p.347.

in Physiognomy; I mean the art of discovering the tempers of persons by their looks'. And in a similar way to the Chinese manuals, what people unthinkingly said gave away clues to their true personality and needed to be considered: 'There is also much discovery to be made of the sentiments of others by their sudden speeches, which even from very discreet persons sometimes fly out'.[61]

Honesty

Confucian thought despised the ruthless pursuit of profit. It was held that honesty and morality in trade should be placed above profit. One of the most famous quotations from Mencius to King Hui of the state of Liang is: '"Why must your Majesty use that word 'profit'? What I am provided with are counsels to benevolence and righteousness, and these are my only topics".[62] It was stressed by Confucius that profit was permissible, as long as it was made in the right way, that is honestly. It was dishonest wealth and profit which Confucius criticized: 'Wealth and rank attained through immoral means have as much to do with me as passing clouds'.[63] The use of moral means legitimated a person's wealth and rank.

Honesty was thus morally and philosophically right, and this view is clearly stated in merchant manuals. In the *Shanggu xingmi* there were the arguments that it would be

[61] Barnard, J., *A present for an apprentice: or, a sure guide to gain both esteem and estate* (London, 1740), pp.37-41.

[62] Eastman, L.E., *Family, fields and ancestors: constancy and change in China's social and economic history, 1550-1949* (New York; Oxford: Oxford University Press, 1988), p.101.

[63] Confucius [trans. D.C.Lau], *The Analects* (London: Penguin, 1979), p.88.

better to be poor than profit from misery and dishonesty, since then at least one could live peacefully.[64] Indeed, even if one became a vagrant it was argued that the tradesman still had to keep his honour and moral uprightness, at least because that way people might help.[65] Manuals argued that one had to use the standard that you judged others with to judge yourself, then people would never complain about you.[66] The fourth section of the *Shishang leiyao* contains a song reciting the qualities a businessman should possess. There is a great moralistic overtone in one of the verses of the song, noting the importance of honesty and righteousness and calling the merchant to be careful and 'not put yourself over others'.[67] In the second section of this manual we also find the argument being made that if things go wrong, it is because one is lacking in morality. Here the most important thing was to cultivate the self and that one should not be scared of the formal law because of its role in meting out punishment, but rather one should be worried about what would spawn from lacking morality.[68] In the *Maoyi xuzhi* there was even an appeal to conscience made with the call for the trader to ensure his scales were fair, and not skewed: 'The size of the scales must hold steady. Do not make high or low…this is not a no conscience business, this is the entrance to the business way'.[69]

Honesty could also give social status. The *Dianye xuzhi* shares this emphasis on honesty. The author made a point of noting that he was from Xinan, a large merchant area, which

[64] Li, *Shanggu xingmi*, p.307.

[65] *Ibid.*, p.309.

[66] *Ibid.*, p.317.

[67] *Shishang leiyao*, pp.363-4.

[68] *Ibid.*, p.302.

[69] Wang, *Maoyi*, p.342.

was almost as successful and large as the Huizhou merchants of this period. The value that he chose to point out among the Xinan merchants was that they were renowned for their honesty and sincerity. These were values to be boasted of and as a manual author this link would add to his reputation.

In addition to the ethical merit of honesty, the *Shanggu xingmi* gives a pragmatic argument of cultivating this value. According to this book, to be honest was the way to secure more business later. One needed a 'clean' business now in order to secure later business through the effect on one's reputation. Similarly, manuals argued that it was important that money came legally or else they warned, this could mean that it would quickly disappear. The underlying assumption here seems to be that money made quickly was made dishonestly and therefore might incur the wrath of someone's revenge.[70]

The *Dianye xuzhi* also emphasized the need to cultivate the virtue of honesty because it would inspire confidence in business dealings.[71] Again, we find the argument that the tradesman had to obey rules in order to guard against public criticism which might prove fatal to one's reputation.[72] In the end, the value of honesty was held to be one that the tradesman should always abide by. Among the six sayings which the tradesman should 'put in a suitcase, hold in reverence, and which will provide unceasing benefit' was one emphasizing the value of honesty and not being careless with money.[73] In the *Shishang*

[70] Li, *Shanggu xingmi*, p.306.

[71] Yang, 'Dianye xuzhi', p.231.

[72] *Ibid.*, p.232.

[73] *Ibid*., p.237.

leiyao a song discussing caution conveys the message that being morally right will lead one on the road to profit and riches. However, exhibiting morally questionable behaviour such as dishonesty will lead ultimately to loss. This would occur since those who were untrustworthy would not be dealt with again in trade.[74] This is stated explicitly in the *Maoyi xuzhi*. Having customers see that you will not deceive them would lead to repeat custom, just as having a fair price and righteous atmosphere were 'better to retain customers'.[75]

In England, Peter Mathias has argued that creditworthiness depended on reputation and reciprocity in dealing.[76] Grassby also suggests that reputation was highly regarded for reasons, other than pragmatism. Inevitably, merchants were kept honest by the operation of a self-enforcing morality. No one would do business with the dishonest. But, he notes, there were also moral and in particular religious elements to their attitudes, and there is evidence of merchants considering their actions with reference to these.[77] Going a step further, Craig Muldrew has argued that trust in the early modern period, of which honesty was the most important part was not looked at in pragmatic calculative terms. Rather it was seen in emotive terms. Self-interest was portrayed entirely negatively until the

[74] *Shishang leiyao*, p.365.

[75] Wang, *Maoyi*, p.346.

[76] Mathias, P., 'Risk, credit and kinship in early modern enterprise', in J. Cusker and K. Morgan (eds.), *The early modern Atlantic economy* (Cambridge: Cambridge University Press, 2001), pp.21-8.

[77] Grassby, *Business community*, pp.299-301.

eighteenth century. Honesty, by contrast, was associated with neighbourliness, and fitted into ideas that the market did not have to be a place of deceit.[78]

The significance of religious views is clearly visible within the merchant manuals. The *Line of righteousness* (1661) argued that it was against God's law to cheat, and The *Merchants avizo* (1607) noted 'Take heede of ..a flase balance…[it is an] abomination before God' and, a section of 'Godly sentences, necessarie for a youth to meditate on' included 'what profiteth a man by deceit…what getteth a man by lying?'[79] *The religious tradesman* argued that tradesmen should speak the truth otherwise the destruction of society would ensue, seeing a social cost to dishonesty. Steele argued that the excuses tradesmen used for lying were all unfounded: one should not lie merely because others did so, no lie was small, and trade did not necessarily mean lying as was commonly believed, otherwise 'We may…write upon every tradesman's door The Lord have mercy upon them', noting 'the fallacy of it'.[80]

The manuals provided tradesmen with advice about what following the truth meant, which included telling the truth about the goods you sell and 'if you…know that the bargain will turn to the disadvantage of your customer…give him warning of it'.[81] This was supported with references to the Bible for authority: 'the getting treasures by a lying

[78] Muldrew, C., *Economy of obligation; the culture of credit and social relations in early modern England* (New York: St. Martin's Press, 1998), pp.125-7.

[79] Fox, G., *The Line of righteousness and justice stretched forth over all merchants* (London, 1661); Browne, J., *The merchants avizo* (London, 1607), pp.13, 61, 64.

[80] Steele, *Religious tradesman*, p.97.

[81] *Ibid*., p.104.

tongue, is a vanity tossed to and fro only of them that seek death'.[82] There were other measures an honest merchant should avoid, such as not disparaging on other's goods or using a 'multiplicity of words', which would show one to be a fool and deceitful, and being careful in entering any oaths or covenants. In all, Steele emphasized they should 'Let truth and integrity rule in your shop'.[83] Steele referred to the books of Revelations and Leviticus to support his stance 'Without are dogs, and sorcerers, and whoremongers, and whosoever leveth and maketh a lye' as well as the more sober 'Ye shall not steal, neither deal falsely, neither lie to one another'.[84]

As in China, manuals also offered more prosaic reasons for honesty. Barnard in *A present for an apprentice* argued pragmatically that merchants who tell lies or are involved in scams will lose their credit and reputation: by lying 'we not only make our selves the Scorn of those that discover us, but deprive our selves of that Credit'. He warned that, in the end, such lies are often found out since they lead to further lies and so build up into a huge problem: 'what might at first be easily pardoned, upon a fair confession, justly draws on a severe animadversion, by the addition of this most disingenuous sort of guilt'.[85] *The London tradesman* saw honesty as including employees not wasting their master's time: 'it is a Crime against Moral Honesty to trifle away his Time, when he should be employed in his Master's work', and being diligent. The 'character of Honesty' was seen as taking time to establish, yet would hold the tradesman in good stay. The

[82] *Ibid*., p.105.

[83] *Ibid*., p.110.

[84] *Ibid*., p.113.

[85] Barnard, *A present*, pp.7-8.

manuals depicted it appropriately enough as part of businessman's stock: 'Honesty is a Stock, sets up the Tradesman without Money, procures him Respect even in Poverty, and a Friend in a Country where he has no Relations'.[86] This points to the social and economic value of honesty as well as its own religious and ethical merit.

However, in some of the English handbooks, these recommendations of honesty were accompanied by anxiety that the ideal of honesty might not be lived up to. In this, the manuals reflected a wider concern. During this period the Campaign for the Reformation of Manners in England aimed at highlighting and trying to tackle what they perceived as decreasing public morality. One of the areas where they were particularly concerned was trade. The Religious Societies promoted virtue in trade as a result, and in support of just dealing they referred to the Bible: 'That no man go beyond and defraud his brother in any matter: because the Lord is the avenger of all such' (Thessalonians 4:6).[87]

The process of commercialization and its effect on ethics was a subject of much debate in the period.[88] Paul Slack has argued that the later seventeenth century saw the rise and defence of material progress through changing ideas.[89] Albert Hirschman in his *The*

[86] Campbell, R., *The London tradesman* (London, 1747), p.314.

[87] Hunt, *Middling sort*, p.104.

[88] Berg, M., *Luxury and pleasure in eighteenth-century Britain* (Oxford: Oxford University Press, 2007), pp.31-7.

[89] Slack, P., 'Material progress and the challenge of affluence in seventeenth-century England', *Economic History Review*. 62:3, (2009), pp.576-603.

passions and the interests argued that commercial and money-making pursuits began to be seen as harmless and innocent.[90]

These anxieties can be seen most clearly in Defoe's writings. Defoe was a key mover in the Reformation of Manners. In *The complete English tradesman*, his chapter on honesty reads initially like a defence of the tradesman. He outlines the popular public perception of tradesmen as all 'knaves' and the 'lyes' which form a necessary part of the shopkeeper's trade. However while stressing the importance of honesty, his anxiety is visible as he argues that tradesmen *can* be as honest 'as other men' but they find it far more difficult for they are more exposed to the 'Hazard of dishonesty' through trade which puts 'more Obstructions to his Honesty, more Opportunities, and more Importunities to knavery, than are more within any other Station of Life'. Indeed Defoe talks of the near impossibility of being able to preserve both property and character as a tradesman. An honest tradesman with a great trade is described almost as the exception.[91]

Defoe goes on to argue that the definition of honest had necessarily become malleable in the tradesman's hands: 'There is some difference between an honest man, and an honest Tradesman'.[92] He wrote of 'telling unavoidable Trading Lyes'. Lying was seen as inherent in the nature of trade. Tradesmen could ask for more than they would take for their goods because it was accepted that the customers would bargain the price down.

[90] Hirschmann, A.O., *The passions and the interests: political arguments for capitalism before its triumph* (Princeton: Princeton University Press, 1996), pp.56-63.

[91] Defoe, *Complete: volume II*, p.52.

[92] Defoe, *Complete: volume I*, p.226.

The nature of trade made this imperative. In addition, Defoe noted that the exigencies of trade meant that promises of dates and deliveries would have to be broken. The psychic cost this imposed on the tradesman was great. He recounted how one tradesman, having finally been bankrupt heaved a sigh of relief at having no longer to lie. Defoe summed it up 'I must however acknowledge, that it is a very mortifying thing to a Tradesman, suppose him to be one that either values his credit in trade, or his principle as to honest dealing, to be obliged to break his word'.[93]

Justification is given for these actions, but it is given grudgingly. In Defoe's description of trading practice, tellingly given the title 'Of the customary Frauds of Trade, which, honest Men allow themselves to practice and pretend to justify', the two most pertinent points concerned what Defoe argued had become the common practices of laying out goods and using banter in order to deceive the customer. [94] Defoe acknowledged both to be deceptions. Setting out goods 'to make goods look to be what they are not…[merchants] are really criminal, they are cheats in trades, and made to deceive the world'.[95] Yet, this was justified as common practice: 'so custom and usage makes it lawful, and there is little to be said but this, Si populous vult decipi, decipiatur, if the people will be cheated, let them be cheated, or they shall be cheated'. On the use of 'shop-rhetorik' Defoe wrote that it 'requires as many flourishes to excuse it, as it contains flourishes in itself', and 'The end of it indeed is corrupt'.[96] Yet a justification of this

[93] *Ibid.,* p.240.

[94] *Ibid.,* p.241.

[95] *Ibid.,* p250.

[96] *Ibid.,* p.251.

practice is given: 'The buyer telling us, he adds, that everything is worse than it is, forces us, in justifying its true value, to tell them it is better than it is'. [97] In short, it was not the tradesman's fault, but the buyer's.

The ethical challenge that business practices presented to English authors can be contrasted with the image presented of retailing practice in the Chinese handbook, the *Maoyi xuzhi*, which instead depicted a cultivation of trust as the way forward. This can be seen in the call for merchants to make it clear that they charged fair prices. In the second section the manual advises that merchants should not just increase or decrease prices, but should explain any price increase to customers, who will then hopefully understand: 'under this the customer will understand and pay the extra cost'. In addition, there were a set of rules for customer service when customers entered the shop. This involved pouring tea, serving a pipe and taking the whole process of selling slowly 'If the customer stays a long time, the apprentice must offer him tobacco and tea a second time'.[98] There were guidelines for serving at the counter and how a businessman should act towards his customers, requiring a 'kind and pleasant countenance' which was the 'businessman's first priority'.[99]

[97] *Ibid*., p.252.

[98] Wang, *Maoyi*, p.336.

[99] *Ibid.*, p.344.

The manual also raised other considerations to cultivate trust when handling payments. The *Maoyi xuzhi* noted that when weighing silver, that it was of the utmost importance that this be done in front of the customer.[100] The same was true for copper:

> No matter whether it is coppers "big" or "small" silver coins or bank notes that are given you, they must be counted in front of the customer, so that you may not be suspected of fraud. You must be particularly careful about this when the sum is a large one [101]

In addition it was important to return any excess money or silver received where

> if you are given too much, due to his error, you must return it. You will keep your innocence. You cannot take money that is not rightfully yours. There is an ancient saying "to take this way is to be with manners" [102]

Religion and superstition

Religious ideas infused business culture through the moral code commended to businessmen. However, religion and superstition also had other kinds of impacts on business culture. In the Chinese case there is evidence in the manuals that belief whether superstition, or ethical systems such as Confucianism or Taoism played a part in limiting merchant activity, and that this continued throughout the period. The most obvious limitation was imposed by various 'auspicious' or lucky and unlucky days for trading. These appear as lists of dates which one should not trade on and for various practices. In the *Shanggu xingmi* there are 60 'auspicious days' listed which are detailed as either being lucky or otherwise. They include days on which the public should not trade, and

[100] *Ibid.*, p.339.

[101] Gamble, S.D., *Peking: a social survey* (New York: Oxford University Press, 1921), p.340.

[102] Wang, *Maoyi*, p.346.

days on which one should not travel by boat.[103] The *Shanggu bianlan* contains a similar extensive list of days which were lucky or not for trading and on which one should not trade, when one should conceal treasures, when to avoid traveling and days when you had to be careful of being tricked.[104]

Religion also put similar frameworks over trade in England. The most direct comparison is apparent in Bernard Capp's work on early modern almanacs. These books were based on astrology and made important predictions on good and bad days for a host of things, including weather forecasts, medical dates and even political speculation.[105] The greater impact was made by rules on Sundays and other holy days. As Grassby noted that after the Reformation there were seventy-nine non-working days, including twenty-seven holy days, and the prohibition on Sunday trading was still in effect through the seventeenth century.[106] During the Campaigns for the Reformation of Manners in the eighteenth century we find public proclamations against Sunday traders.[107]

In the *Religious tradesman* the author emphasizes the value of observing Sunday as a day of rest, the 'Lord's day'. The tradesman should not work: 'Let no worldly business be either contrived or done'. Nor was the tradesman allowed to let others shoulder the burden. His children and servants were expected to take the day away from the labours of

[103] Li, *Shanggu xingmi*, pp.337, 339, 296.

[104] Wu, *Shanggu bianlan*, section 2.

[105] Capp, B.S., *English almanacs: astrology and the popular press* (Ithaca: Cornell University Press, 1979), pp.62-66.

[106] Grassby, *Business community*, p.291.

[107] Hunt, *Middling sort*, p.103.

work ‘as they have souls of equal value with the greatest’. But this was not wasted time. The observance of Sunday is associated with business success by the author. Interestingly this was not because of divine powers, but rather because it offered a day of rest when one could recuperate, ready for the week ahead: ‘by these lower services you may be fitted for the heavenly state, and carry the blessing of God into the labours of the ensuing week’.[108]

The observance of Sunday was a regular, controversial topic in the newspapers of the late eighteenth century and would still attract penal sanction. In *The Gazetteer and New Daily Advertiser* of January 1778 prosecutions for Sunday trading were reported. Twenty tradesmen, largely butchers, who had traded on Sunday had been summoned before the Alderman at Guildhall. The prosecution acted zealously, according to the reporter:

> Two of the members [of the prosecution]…took the lead represented, in a stile rather puritanical, the shameful perversion of all order…no regard was paid to the laws, human or divine; but, that in gross violation of morality and religion, trade was openly carried on…formed a plan to stop this growing evil

Despite the attempts at a defence made by the butchers, the magistrate judged ‘it was his duty to enforce the law when called upon, which he certainly should do if summoned again’.[109] So we find instances of Sunday trading law being enforced.

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[108] Steele, *Religious tradesman*, pp.144-6. We also find calls for keeping Sunday sacred in other manuals. See Anon., *The apprentice’s faithful monitor*, (London, 1700), p.3; Jackson, A., *The pious prentice, or, the prentices piety* (London, 1640), pp.40-2.

[109] *Gazetteer and New Daily Advertiser*, January 13, 1778.

In sum we find that business culture in both China and England emphasized informal means of dealing with the market, often in similar ways and for similar reasons. Caution and Honesty were valued not only for pragmatic but also religious and social reasons. Religion is found in both to have also exerted an influence on when tradesmen could trade. One area where differences do appear, though, is in the degree of anxiety about the ability of businessmen to maintain their honesty. Honesty became more malleable in England in this period, and with this came attempts at justification of this change. This does not seem to have occurred in China.

Law

Morality and religion offered a guide through business life. However, conflict was still likely to affect most businessmen, and with it came the need to resolve disputes. In China, recourse to formal law was warned against in some of the merchant manuals, as might be expected given historian's arguments highlighting the importance of informal mechanisms in trade in China.[110] The *Shishang yaolan* noted that those who were good at using the law to get what they wanted were dangerous and one had to be careful of them.[111] There is little about the negative attitude towards the use of law in the handbooks.

However, it would be a mistake to see China as a place where going to formal law and taking legal action was frowned upon and England as a place where lawsuits were

[110] Bin Wong, 'Formal and informal mechanisms' pp.387-408.

[111] *Shishang yaolan*, p.5.

enthusiastically launched into. Madeline Zelin has noted that new evidence indicates that people in late imperial China were 'highly litigious', contrary to received wisdom. She has found that contracts were made and enforced in business practice in this period in predictable ways, rather than with aims of social engineering or ethical considerations taking precedence. Indeed, the merchant handbooks contain sample contracts for a wide range of transactions.[112]

In addition, Philip Huang has argued that civil cases, far from being avoided actually formed a large proportion of the case load for local courts. He has found that the law was not something resorted to only by the abusive individuals and corrupt clerks for 'immoral gain', but rather common people made use of the courts. Nor did Magistrates settle cases by moral principles in-keeping with official ideology, as others have argued, but they were in fact closely guided by the Qing code. These laws also applied to business. He argues that given the Qing officials' disdain for commerce it is 'somewhat surprising' that a whole chapter of the Household Law book of the Qing code deals with markets. In particular, these dealt with fair prices and he finds evidence of cases brought for abuse of market transactions.[113]

The Chinese manuals saw the law to be important and advised businessmen to respect it. The *Shishang yaolan* argued that wherever the businessman found himself he had to adapt to the laws of the local area. Officials were seen as those with a 'virtuous heart' and should be trusted. The manual advised that a businessman had to be law-abiding also in

[112] Zelin, 'A critique of rights of property', pp.27-33.

[113] Huang, *Civil justice in China*, pp.10-2, 88-91.

regard to paying taxes. [114] The *Huoji xuzhi* advocated this paying these taxes and warned against any attempts by the businessman to cheat customs officials.[115] The routebooks outlined the appropriate taxes, what the levies were for different goods, that merchants had to pay when travelling.[116] The guide to pawnbroking, the *Dianye xuzhi*, also hinted at the need to be careful lest the law intervene. The manual recommended always writing receipts, or there was a danger of being involved in costly lawsuits.[117]

For the English businessman going to law was far from desirable. Although levels of litigation were very high in early modern England, resorting to the courts was not viewed positively. Defoe in *The complete English tradesman* argued extensively against resorting to lawsuits. In his opinion it was the purse proud who were the first to go to law suits and litigation should actually only be pursued as a last resort. Other ways of reconciling differences had to be investigated: 'he that will seek justice in the Law, ought to be very sure he can obtain Justice no other way'.[118] His 'Complete Tradesman' was not litigious.

Defoe set out a variety of social and religious reasons against going to law. Defoe saw a litigious tradesman as a nuisance that had to be eliminated; he 'should be esteem'd what we call a common Barreter in the Law, or as a Scold among the Women; he should be presented as a publick Nuisance'.[119] Being litigious went against his aim of living

[114] *Shishang yaolan*, p.3.

[115] *Huoji xuzhi*, p.243

[116] *Shi wo zhou xing* [I walk alone], section 2, p.19.

[117] Yang, 'Dianye xuzhi', p.240.

[118] Defoe, *Complete: volume II*, p.257.

[119] *Ibid*., p.276.

peaceably in business: 'I knew a Tradesman that, generally speaking, had these Kinds of Broils always upon his Hands; and he was the most uneasy Man alive: he was always a-paying Lawyers Bills, always reading over Bills in Chancery exhibited against him'.[120] Religious advice supported this: 'I think the blessed Apostle's Rule, as it was good and wholesome for those he wrote to, 'tis still more so to a Tradesman, *Rom.* Xii.15. *If it be possible, as much as lieth in you, live peaceably with all Men*'.[121] Defoe instead referred to the need for civility in trade, in the treating of fellow tradesmen and customers alike: going to law was seen as a breach of this 'civility', 'to be sure quarrelling and a litigious Wrangle with the Buyer is a breach of the just Conduct of a Tradesman; it ought indeed to be his Aversion'.[122] When entering any lawsuit, the key was then to be reluctant to do so, and 'be always ready to put an End to such Prosecutions by Arbitration…This is the Temper of the truly Christian and Peaceable Tradesman'.[123]

Defoe also wrote more pragmatically about why a tradesman should not engage in lawsuits. He argued that if someone was litigious then people would cease trading with him, and so a reputation for going to law would be detrimental to business: 'The best Customers will always shun trading with such a Man'.[124] Going to law was seen to be mutually destructive, eating in to the resources and time of both parties:

> if two Tradesmen, who are men of Passion, both hot, both quarrelsome, and given to Law-Suits, Men of Contention and Strife, that is, Lovers of it, such as I have describ'd; if those two meet in a

[120] *Ibid*., p.274.

[121] *Ibid*., p.279.

[122] *Ibid*., p.283.

[123] *Ibid*., p.298.

[124] *Ibid*., p.281.

> Breach, 'tis like two Enemies meeting in a Mine; one brings Fire, and the other Gunpowder, and both are blown up together [125]

Defoe's arguments reflected a much wider body of opinion. A prime concern was the social effect lawsuits could have. The *Public Advertiser* of March 5th 1788 in a letter from the King's Bench portrayed the suffering that imprisoning debtors could cause to a tradesman and his family, causing death and destruction 'it is not long since, that a very industrious man, arrested for forty pounds, and who offered to pay thirty of the debt, all the money he had on earth, died here for want, and with a broken heart'.[126]

Lawyers were perceived as vipers preying on the tradesman. A letter of March 3rd 1788 in the *Public Advertiser* was from a writer called the Tradesman. Here the attorney is portrayed as wicked 'it is the middling and mischief –making Attorney who keeps them [creditor and debtor] together by the ears…that they heap fuel on the fire until both are consumed-It is the cunning Lawyer who fills our prisons, while he fills his pockets and wraps the innocent and guilty in the same place of general wretchedness'. This echoes the self-destructiveness and expense highlighted by Defoe. The author of the piece argued for the model of Holland which used more peaceful methods of conflict resolution, with 'Commissioners of Peace' who 'state the folly of contention…and generally succeed'. This was presented as an ideal solution 'the Creditor gets what is left, the Debtor preserves his liberty, the state preserves a citizen, and the Lawyer…must till the ground'.[127]

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[125] *Ibid*., p.289.

[126] *Public Advertiser*, March 5 1788.

[127] *Public Advertiser*, March 3 1788.

Going to law was also seen as unlikely to succeed in reclaiming debts. Another letter from the *Public Advertiser* of February 25th 1788 made it clear, as had Defoe, that resorting to law to reclaim debts helped neither the debtor or creditor: 'arresting for debt…oppression, distress, and misery are its constant attendants; and that utter ruin is generally, if not always the consequence of it; in which, for the most part, both creditor and debtor are involved'.[128] More practically it stopped the debtor repaying any sums owed 'the futility, and the self-injury of tying up the very hand that might, if left at liberty, pay my demand'.[129] Finally, even those who argued that resorting to law and prison might have a place were reserved about its use, stating that the cause of the debt had to be established to distinguish between those who through recklessness had incurred large debt and those who through no fault of their own except sheer misfortune 'Let Debtors reduced by the inevitable Misfortunes be cherished and established again in Business'.[130]

In England, there were a variety of reasons not to go to law, against the image that this was a place where formal law ruled. These could be social and religious ideas such as the importance of being a good Christian and living peacefully, and more pragmatic ideas on the cost and expense involved.

[128] *Public Advertiser*, February 25 1788.

[129] *Public Advertiser*, February 18 1788.

[130] *Public Advertiser*, September 2 1774.

Conclusion

The market was presented as risky in both China and England, both through its nature and through the threats from crime. The responses available to businessmen were not dissimilar. Many of the actions to be taken depended upon the character of the businessman. Caution was seen by both cultures as a way to overcome the dangers and unpredictability of the market. Both cultures shared arguments for the importance of honesty, which was not only based in pragmatism, but also in religious and social reasons. And religion imposed a limit on trading days. One area of interest though is in the anxiety about the viability of honesty. In England this was very clear in the writings of Defoe, who believed honesty had become malleable, and some justification is given for this. This is not present in the handbooks of China.

These similarities are perhaps surprising for those arguing that deep seated cultural differences produced profoundly different business cultures in China and England, whether or not these had any bearing on questions of the Great Divergence. Two cultural stereotypes, in so far as ideals are concerned, can be re-examined. First, the uniqueness of the overly-moralistic Confucian tradesman, which many of those working on Chinese merchants emphasize, is questionable. Those such as Richard Lufrano and Roy Bin Wong argue that Chinese merchants had to have a high degree of honesty and trust between them to make up for a lack of formal law. However, at least the ideals were not so different in China and England. Writers on both sides would consider false dealing to be dishonest, whether because it was an abomination before God or whether it went

against Confucian ideals of fairness. Second, when looking at the issue of resorting to formal law I have not questioned that formal law was more prevalent in England than China. No one would challenge this. And the fact that in England the ideal was to only resort to formal mechanisms of law in the last instance perhaps highlights how far real-world practice could diverge from ideals. Yet, at least it serves as a reminder that in both cultures, ideally, disputes would be settled in private and without the shame of law down on a fellow tradesman. No one wanted to take conflict any further than they had to.

Chapter 3

Thrift, charity and contentment: the problem of wealth

During the seventeenth and eighteenth centuries attitudes and ideas on wealth were in a state of flux in both China and England. Traditional ideas that warned against the dangers of seeking wealth, such as the notion that luxury undermined virtue, were breaking down. This raised new anxieties about what to do with wealth.[1] In England, wealth became an acceptable goal of life, associated with status and esteem. It could be a path to fulfillment.[2] At a macroeconomic level there were arguments that wealth reflected the strength of the nation and that pro-trade policies should be followed to enhance national wealth. There was a growing defence of material progress during this period in England despite ambivalence about its benefits, on the one hand it was seen as providing greater riches, yet on the other it disrupted the social order. Hobbes noted this 'new ideal of happiness, equating felicity with a constant motion of the self from satisfaction of one appetite to the next'.[3]

[1] Peck, L. L, *Consuming splendor: society and culture in seventeeth-century England* (Cambridge, New York; Cambridge University Press, 2005), pp.6-10; Berg, M. and Eger, E., 'The rise and fall of the luxury debates', in Maxine Berg and Elizabeth Eger (eds.), *Luxury in the eighteenth Century: debates, desires and delectable goods* (London: Palgrave Macmillan, 2007), pp.7-27.

[2] Thomas, K., *The ends of life: roads to fulfilment in early modern England* (Oxford: Oxford University Press, 2009), pp.142-6.

[3] Slack,P., 'Material progress and the challenge of affluence in seventeenth-century England', *Economic History Review*, 62:3 (August 2009), 576-603; Hirschmann, A.O., *The passions and the interests: political arguments for capitalism before its triumph* (Princeton: Princeton University Press, 1997), pp.7-66.

In China the situation was similar. There was more money, more to spend it on, and more anxiety about this new wealth and what to do with it.[4] There was the same gradual acceptance of wealth and its association with social position. As the historian of China, William Rowe, commented, Qing 'subjects were becoming increasingly comfortable with notions of getting rich as a social ideal and of wealth as a measure of personal worthiness'.[5] This linking of consumption to status had begun in the late Ming, according to Craig Clunas, even reducing the hold of traditional measures of status, such as the examination system.[6] At the macroeconomic level there were further parallels with England as some government officials advocated a pro-commerce policy even as early as the sixteenth century.[7] Therefore, it is interesting to see what the advice literature written for the business communities in both China and England presented as the ideal attitude to wealth.

The historiography, which has been based on non-comparative studies, presents a straightforward opposing story regarding the businessman's ideal of wealth. Richard Grassby, examining the English seventeenth century business community, argued that part of the uniqueness of the English businessman was the lack of constraining moral

[4] Brook, T., *The confusions of pleasure: commerce and culture in Ming China* (California: University of California Press, 1999), pp.153-4.

[5] Rowe,W.T., 'Social stability and social change', in Willard J. Peterson (ed.) *Cambridge history of China volume 9, part 1: the Ch'ing empire to 1800* (Cambridge; Cambridge University Press, 2002), p.486.

[6] Clunas, C., *Superfluous things: material culture and social status in early modern China* (Hawaii: University of Hawaii Press, 2004), pp.1-7.; *Ibid.*, *Fruitful sites: garden culture in Ming dynasty China* (London: Reaktion, 1996), pp.9-15; Ho, P-T., *The ladder of success in imperial China: aspects of social mobility, 1368-1911* (New York:Columbia University Press, 1962), pp.41-52.

[7] Brook, T., 'The merchant network in 16th century China: a discussion and translation of Zhang Han's "On merchants"', *Journal of the Economic and Social History of the Orient*, 24:2, pp.165-214.

values in trade and wealth. It was not that actions that broke ethical values were promoted, just that England lacked the constraints that existed elsewhere: 'Business evoked respect rather than admiration, but it was neither prescribed nor proscribed'. In contrast China, Grassby argued, was hostile to wealth: 'Confucianism was hostile to business, and the elite were prohibited from trading, which was an occupation ranked lower than farming'.[8] Chinese merchants are thought by many to have had ethical constraints in their use of wealth. Richard Lufrano noted that the merchant handbooks of the late imperial period corresponded well to Chinese morality books in their attitudes to wealth and risk, pointing to a constraint through morality. This Confucian strand of thought was seen as a line of continuity for the long period 1550-1930. Lufrano linked it to the need for societal stability, which could be achieved through this caution, and aversion to risk and ambition: 'the author's approach dovetails with the views of the elite essayists and morality book authors, who also stressed stability and social stasis'. [9]

This chapter examines three specific aspects of the debate on wealth which are important in considering the Great Divergence. The first of these is the role of thrift. Here thrift is defined, following Deirdre McCloskey, as a reflection of the twin ideas of frugality and temperance (guarding against temptation and luxury).[10] This was, she argues, a key factor in the rise of England, and in particular a characteristic of the business community in

[8] Grassby, R., *The business community of seventeenth-century England* (Cambridge: Cambridge University Press, 1995), pp.51-2.

[9] Lufrano, R., *Honorable merchants: commerce and self-cultivation in late imperial China* (Honolulu: University of Hawaii Press, 1997), pp.143-4, 178-80.

[10] McCloskey, D.N., *Bourgeois dignity: why economics can't explain the modern world* (Chicago: Chicago University Press, 2010), pp.125-6.

England. Grassby noted the importance of thrift among the business community.[11] Moreover, he argued that there was a unique doctrine of self-denial firmly against any kind of overindulgence.[12] John Smail, in his study of eighteenth century middle class businessmen in Halifax argued that they had a peculiar brand of gentility, which distinguished them from the lower bound, but also the upper classes, since they repudiated those aspects which conflicted with thrift, the 'resultant version of gentility was constructed around a series of virtues – thrift, good character, and prudence – which were contrasted with the potential vices of gentility'. Ultimately 'This middle class culture valued thrift and hard work as ends in themselves'.[13] On the other hand, there are those including McCloskey who argue that thrift was a common feature of businessmen and most people everywhere, limiting its power as an explanation for the Great Divergence.[14]

The second aspect of the debate on wealth examined here is that of the place of charity, one area of consumption that was held generally not to conflict with the ideals of thrift. In the Chinese historiography it has been argued that merchants and businessmen during this period had a special propensity to act as Confucian gentlemen and donate large sums to charity. An important aspect of this is the idea of *leshan haoshi* (happiness through doing good works) which is argued by the Chinese historian Wang Zhenzhong to have taken

[11] Grassby, R., 'Social mobility and business enterprise in seventeenth-century England' in D. Pennington and K. Thomas (eds.), *Puritans and revolutionaries: essays in seventeenth-century history presented to Christopher Hill* (Oxford: Oxford University Press, 1978), pp.355-81.

[12] Grassby, *Business community*, pp.286-90.

[13] Smail, J., *The origins of middle-class culture: Halifax, Yorkshire, 1660-1780* (Ithaca: Cornell University Press, 1994), pp.214-7, 233.

[14] McCloskey, *Bourgeois dignity*, pp.131-2.

hold of merchants from the Ming-Qing transition onwards. This was an ideal held by the influential Huizhou merchants, in order to build and gain a reputation for themselves.[15] Thus wealth was perhaps diverted from business enterprise into less productive avenues than in England. There is debate, though, over the place of charity in England. Manuals can help us consider how it faired against the new drive for profit, as against other ideas on using wealth for the good of the many, and allow us to differentiate between the reasoning behind charitable enterprise, whether it be religious or as a means to attain status and respectability.[16]

Finally, the third aspect for comparison is the ideal of contentment. This has been seen as a peculiarly Chinese idea. Traditional wisdom would have it that premodern Chinese society was against commerce and wealth: the ideal of the Confucian was not to be a money-grubbing trader.[17] Indeed, Chen Huang-Chan argued that the economics of Confucianism entailed this belief in contentment and not pursuing material wealth as an ends.[18] Most famously, Weber contrasted the protestant ethic of the West with its focus on the material world as a route to salvation, to other beliefs, and in particular

[15] Wang, Z., 'Ming Qing shiqi Huisheng shihui xingxiang de wenhua toushii' [A cultural perspective of the social image of Huizhou merchants in the Ming and Qing dynasties], *Fudan Xuebao*, 1993, pp. 80-4; Ebrey, P., *Chinese civilization and society: a sourcebook* (London; New York: Collier Macmillan Free Press, 1981), pp.155-60.

[16] Thomas, *Ends of life*, pp. 142-3; Hancock, D.,*Citizens of the world: London merchants and the integration of the British Atlantic community, 1735-1785* (Cambridge; New York: Cambridge University Press, 1995), pp.301-13; Grassby, *Business community*, pp.283-6.

[17] Eastman, L.E., *Family, fields and ancestors: constancy and change in China's social and economic history, 1550-1949* (New York; Oxford: Oxford University Press, 1988), pp.101-3.

[18] Chen, H-C., *The economic principles of Confucius and his school: volume I*, (Columbia: Columbia University Press, 1911), pp.213-4.

Confucianism, which focused on inner-worldly concerns.[19] The economic historian R.H. Tawney in his *Religion and the rise of capitalism* argued that Puritanism 'transformed the acquisition of wealth from a drudgery or a temptation into a moral duty'.[20] There have been current quantitative debates over the validity of Weber's thesis, arguing either that it had an impact or if, for instance Protestantism through instruction in reading the Bible may have generated human capital, and so produced economic prosperity.[21]

This chapter has three sections, each corresponding to one of the key areas above. The first section describes the ideal of thrift in the business advice literature, divided into frugality and temperance. The second examines charity. In particular it utilizes Chinese biographies of businessmen, which were produced by the literati to display their ideal of the businessman. The third section looks at how the ideal of contentment was presented.

Thrift

The ideal of thrift has been seen as a possible cause for the Great Divergence. By promoting frugality and temperance, thrift helped business success, to a degree that was unique in England. The adoption of thrift by the middle classes has been studied in detail, as shown above. This section investigates whether this emphasis on thrift was unique to

[19] Weber, M., *Max Weber: selections in translation* ed.W.G. Runciman [trans. E. Matthews] (Cambridge: Cambridge University Press, 1978), p.196.

[20] Tawney, R.H., *Religion and the rise of capitalism: a historical study, Scott Holland memorial lectures* (London: Murray, 1926), p.253.

[21] Becker, S.O., and Woessmann, L., 'Was Weber wrong? A human capital theory of Protestant economic history', *The Quarterly Journal of Economics*, May 2009, pp.531-96; Blum, U., and Dudley, L., 'Religion and economic growth: was Weber right?', *Journal of Evolutionary Economics*, 11 (2001), pp.207-30.

England or whether it was also part of the business ideal in China, and in what ways, by looking at the two values that McCloskey identifies as underpinning thrift, frugality and temperance.

Frugality

English businessmen were expected to be frugal in their expenses for a variety of reasons. Manuals include numerous statements directly stating this idea of the importance of frugality for business survival and how it should be inculcated from the off in aspiring businessmen. Barnard in his *A present for an apprentice* stated the need for frugality: 'consider how many dry blows the poor Country-man gives, to earn no more in an whole day, to sustain his family with bread, than you squander away on your Luxury or vanity'.[22] Similarly, Collyer in his *Parent's and guardian's directory* (1761) argued that one of the chief values to be inculcated was frugality. This training should begin when the child was an infant. This was to be done by not letting infants indulge their fancies merely to stop them crying, in order to 'prevent the growth of those passions that are enemies to all true felicity'. Indeed, punishment was to be used to further this end and to 'early implant in his mind those little maxims of prudence, decency, and decorum', a tactic commonly recommended in conduct books, though perhaps not used as much in actuality.[23] Businessmen were encouraged to be frugal in offering help to others: where

[22] Barnard, J., *A present for an apprentice: or, a sure guide to gain both esteem and estate* (London, 1740), pp.16-17.

[23] Pollock, L.A, *Forgotten children: parent-child relations from 1500 to 1900* (Cambridge: Cambridge University Press, 1983), p.268.

he could help a friend he should do so, but not to such an extent that would burden himself 'unduly'.[24]

There were religious aspects to this ideal. Steele in *The religious tradesman* expounded a principal of frugality based on Christian thought. Here he argued that expenses had to be below income and that businessmen should guard against developing appetites: some 'are such slaves to their appetites, that the belly devours what the head and hand have laboured for'. In contrast, 'prudence will teach him to live rather below, than above his income, not knowing what casualties and disappointments futurity will produce. "He that begins to live as he should end, will soon end worse than he began"'.[25]

Frugality and noble austerity was linked with national identity by contemporaries as well as historians. Campbell, in his *London tradesman*, with tongue in cheek, looked at the exports of countries to Britain and declared that on French imports

> In reckoning up the Imports from France, I should have mentioned Pride, vanity, Luxury, and Corruption;, but as I could make no estimate by the Custom-House Books of the Quantity of these good entered, I chose to leave them out [26]

To be frugal was to be British. This view of frugality as patriotism was rife among the business class, both in arguments for the economic well-being of the country, and in criticism directed against the 'fashionable' classes, the anathema of the businessman's

[24] Collyer, J., *The parent's and guardian's directory, and the youth's guide in the choice of profession or trade* (London, 1761), pp.6-7, 2.

[25] Steele, R., *The religious tradesman* (London, 1776), p.40.

[26] Campbell, R., *The London tradesman* (London, 1747), p.291.

values, who were seen as besotted with luxury and Francophilia. Organizations were even set up by tradesmen to promote this ideal. The Anti-Gallician Society (1745), for instance, was set up by a group of London tradesmen during the invasion crisis with the sole aim of discouraging the import and consumption of French goods, and promoting English commerce. They offered prizes to reward acts furthering this, such as those who found ways to compete with French manufactures or who mapped foreign trade routes to the benefit of English trade. They tried to limit the influence of French culture through, for example, commissioning a clergyman to preach an annual sermon against the 'iniquities' of the French.[27]

There were suggestions in the handbooks about how the businessman could adhere to the ideal of frugality. First, was the suggestion that they should not start 'high', that is in big shops with large rents and an expensive way of living. Barnard argued this when saying businessmen should not start high and that one should 'eat your brown bread first'.[28] He warned that one should live simply to avoid bankruptcy, if 'most of his money is laid out stocking his shop and furnishing a house, he will have great quantities of goods lie dead upon his hands till they grow old fashioned and become of little value'.[29] Businessmen should avoid the 'showy' parts of town, where 'sons of good families…are wrecked upon this little space of ground'.[30] Similarly, N.H., in *The compleat tradesman* advocated a low

[27] Colley, L., *Britons: forging the nation 1707-1837* (New Haven: Yale University Press, 1992), pp.88-91.

[28] Barnard, *A Present*, p.45.

[29] *Ibid.*, pp.312-4.

[30] *Ibid*., p.46.

start for businessmen since this made it hard to suffer large losses and businessmen would be more conscious of losses:

> they who come forth under-hatcht, conscious of their own infirmity, ride with a strait hand, if they were wise, put not into a gallop, till their wind be well rack'd; and by that means prove of good Spur-mettle to the last [31]

N.H. echoed other manuals in warning against starting off with a large house: 'better the house be too small for a day, than too big for a year'.[32] Second, N.H. saw that they should be careful in their consumption. They should forgo luxury in private: 'to please the dainty tooth, is an expensive humour, and doubles that charge which house-keeping bringeth'.[33] Businessmen were advised to do their own grocery shopping, rather than sending out the servants to do it because you would be more careful with your own coin and were advised not to buy on credit when making everyday purchases, and to buy in bulk.[34]

For the Chinese businessmen manual writers put the same explicit emphasis upon frugality as is found in the English handbooks. Frugality was seen to have been a matter for business survival, as in England. In the *Dianye xuzhi* and elsewhere, the reader was advised to adopt the concept of *liangru weichu* (that expense should not exceed income). This use of a memorable phrase meant businessmen could have it at the forefront of their mind.[35] It is found in the *Maoyi xuzhi*, in advice that 'you must live within your means'.[36]

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[31] H., N., *The compleat tradesman or the exact dealers daily companion* (London, 1684), p.75.

[32] *Ibid.*, p.75.

[33] *Ibid.*, p.83.

[34] *Ibid.*, pp.84-5.

[35] Yang, L., 'Dianye xuzhi' [Essential knowledge for the pawn trade], *Shihuo yuekan* (July 1971), p.240.

The *Shanggu xingmi* shows that this was not a new idea. Frugality was seen as a key characteristic of the businessman regardless of his wealth: 'do not change your standards once rich, do not be greedy…you need to keep your money'.[37] This emphasis on frugality was seen as a crucial value to instill in the young, as in England: 'you need to be taught frugality in your education to be a businessman, for it is hard to change attitudes and habits later in life'.[38]

Frugality was seen to contribute to stability, which was the ultimate aim of the Chinese businessman according to the *Shanggu xingmi*. It contained an injunction against greed, which it anticipated would be met with misfortune, and underlined the need to be stable 'A businessman must not be greedy. That is the way to stability. If you are greedy, you will meet with misfortune'.[39] This idea of stability was associated with being a gentleman in statements such as, a businessman should 'be stable, for this is the way of the gentleman'.[40] As in England, we find calls to be careful in purchasing goods: 'If when using money you have no plan, then gradually your wealth will be eroded'.[41] Frugality was also seen as the path to success: 'the frugal are virtuous, whereas the wasteful and

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[36] Wang B., *Maoyi xuzhi* [Essentials for merchants], printed as an appendix to Zhang Zhengming, *Jingshang xingshuaishi* [The history of the rise and fall of the Shanxi merchants] (Shanxi guji, 1995), p.349.

[37] Li, J., *Shanggu xingmi* [Solutions for Merchants] (1635), repr. in Yang, Z.,(ed.), *Tianxia shuilu lucheng* [Water and land routes of the empire] (Taiyuan, 1992), p.314.

[38] *Ibid.*, p.293.

[39] *Ibid.*, p.280.

[40] *Ibid.*, p.286.

[41] *Ibid.*, p.310.

extravagant will find it hard to succeed'.[42] Manuals advised the use of caution against not being frugal and the danger that could befall merchants if that was the case. This can be seen in the *Song of caution* in the *Shanggu xingmi* which warned of the need to save money, that reckless spending would make one have to work needlessly hard, and that 'Those who swagger will eat bitterness. This is the way of the world'.[43] There were notes on the ease with which wealth could be lost. Bluntly, 'the cause of being in destitute and humble circumstances is waste and extravagance'.[44]

In the *Dianye xuzhi* frugality was also presented as an essential value for business survival and for the sake of the family. Frugality was declared to be part of the service of being a businessman. In the section entitled a 'businessman's duty', frugality was mentioned:

> All people are not able and virtuous. There are the diligent and lazy, the extravagant and the frugal. From the time one rises in the morning, one should be watchful over business, one should be diligent, frugal, and not detest being humble. When midday arrives the businessman should look at serious books and review his accounts [45]

The handbook linked frugality to the well-being of the family. For example, in the section dealing with the bequeathing of wealth, the value of frugality was seen as a way to ensure you could bequeath wealth for the benefit of future generations - and indeed ensure there

[42] *Ibid.*, p.293.

[43] *Ibid.*, p.302.

[44] *Ibid.*, p.329.

[45] Yang, 'Dianye xuzhi', p.233.

would be future generations: ‘cherish all things and then you will be rewarded with many generations after’.[46]

Shame would befall the families of those who were not frugal. This is evident, for example, in one of six sayings that the *Dianye xuzhi* proclaimed were crucial for businessmen to commit to memory and carry with them. This saying warned that those who were not frugal would become accustomed to an extravagant lifestyle, which in turn would become habit and when times were not so prosperous would continue and so necessitate borrowing. Borrowing would result in debt and eventually the possibility that ‘the businessman will have to resort to stealing, bringing shame on your parents. You will be known as evil, and will regret this. Do not spend without restraint.[47] An emphasis upon the benefits of frugality for the family is also apparent in a section detailing long-term planning. This encouraged businessmen to take a long-view in their actions. We find numerous reasons given for being frugal, including specifically to provide for one’s relatives and parents: ‘Some think they do not need to calculate their expenses and do not need to save a lot, and are particular about what they eat and drink, but how can they provide for their parents?’ Indeed, ‘When leaving home and traveling far away, be careful with money, and do not waste. Do not forget your family. Clothe yourself and eat simply, and remember your parents’.[48] Frugality was tied to the concept of honour

> men of character do not beg others. They provide their own food and they are frugal in their everyday living. They remember that to get money is not easy, yet it is easy to use up one’s wealth

[46] *Ibid.*, p.236.

[47] *Ibid.*, p.238.

[48] *Ibid.*, p.233.

An honourable businessman had to learn the value of money.

As with the English business handbooks, Chinese manuals contained suggestions of ways for promoting frugality. Some of these were very similar to those suggested in England. Firstly, we have the suggestion that apprentices should not start work in a large store. An apprentice doing so would get used to a 'lofty manner', 'silk clothes' and 'good food', acquiring habits which would be hard to lose, possibly to devastating effect: 'Is it possible this is not an error for all one's life?'. Rather manuals recommended that the apprentice should start

> work in a small shop. He will only wear cheap clothes, eat only coarse rice, drink insipid tea. He will realize that he cannot waste, that he can only be industrious and thrifty and cannot be indulgent in luxurious and expensive habits. He will have to heed his ordinary everyday daily expenses. After seeing this way of living, he will know making money is not easy [49]

Having this experience would set the businessman on the road of virtue and caution. Secondly, the *Maoyi xuzhi* suggested ways to save money, especially on food: 'when eating you must eat slowly, since this is more economical. And if you eat greedily you might choke yourself'.[50] There was also the advice to eat less meat and limit consumption on meals.[51] In addition, the manual warned 'Do not need to throw large banquets for customers, good customers do not need it. You only need mutual respect, and then hopefully they will be with you a long time'.[52]

[49] Wang, *Maoyi xuzhi*, p.340.

[50] *Ibid.*, p.337.

[51] *Ibid.*, p.337.

[52] Li, *Shanggu xingmi*, p.283.

Temperance

Having now looked at frugality, we can look at what the business advice literature said about temperance, the second pillar of thrift. Here we examine attitudes to 'vice', including expenditure on gambling, drinking and whoring, as well as ideals on pastimes.

As might be expected, the English business handbooks vehemently warn against vice. This could be seen as an integral part of an apprentice's training. Barnard's *Present for an apprentice* notes that the perils of excess were a sure way to end a young businessman's career, with excess in general seen as 'a pleasurable evil, whereby we cut our own throats with delight…costly vanity'. Nothing was as bad as drinking to Barnard, where 'not in many respects so pernicious, as that of drink'. But vanity had wider threats, for example, on clothing, Barnard argued there was no point being seen in elegant clothes since if 'apparel be beyond the Estate, the wearer is justly esteemed a prodigal fool; but if equal to it, the regard due to his rank will be paid to him without it'.[53] Collyer's *Parent's and guardian's directory* went one step further. As Barnard had, it offered warnings against gaming and whoring: 'he who embraces a common woman, embraces shame, disease, rottenness, and death'.[54] Moreover, an apprentice should abandon all 'romantic notions of love that are the ruin of youth', needing instead to fix a character for 'honesty, sobriety, and prudence'.[55]

[53] Barnard, *A Present*, pp.9-11.

[54] Collyer, *Parent's and guardian's directory*, p.310.

[55] *Ibid.*, p.311.

Defoe, in his *Complete English tradesman* outlined that merchants had to be on the guard against a number of possible 'modern' early-eighteenth century causes for going bust, all caused by a lack of temperance, compared with the 'previous age'. This approach was shared with the Reformation of Manners that tried to re-instill a lost morality into everyday life. The causes Defoe cited included what initially seemed to be 'innocent diversions', new pastimes that could cost both money and, more importantly according to Defoe, time. His concern was that these may destroy a business before it had opened:

> I am talking of Tradesmen undone by lawful things, and by what they call innocent and harmless things' with the innocent diversion resulting in a situation where 'business languishes while the tradesman is absent and neglects it…if the business languishes, the tradesman will not be long before he languishes too; for nothing can support the Tradesman but the support of his trade by a due attendance and application[56]

Defoe warned against extravagant living, especially excessive household expense on servants and on dining. There were, he noted, now 'in London…above an hundred thousand more maid-servants and foot-men, at this time in place, than used to be in the same compass of ground thirty years ago'.[57] On table dining he noted that businessmen were offering at dinner 'now the emblems, not of plenty, but of luxury, not of good housekeeping, but of profusion, and that of the highest kind of extravagancies'. This was by no means the limit of his concern:

> I am bringing it in here only as an example of the dreadful profusion of this age; and how and extravagant way of expensive living, perfectly negligent of all degrees of frugality or good husbandry, is the reigning vice of most people [58]

[56] Defoe, D., *The complete English tradesman: Volume one* (London, 1732), pp.96-109.

[57] *Ibid.,* p.115.

[58] *Ibid.,* p.116.

The cost of time was also apparent when a businessman went to visit friends, for: 'in that very moment business presents'.[59] The *Merchants avizo* written a century and a half earlier, also warned against wasteful pastimes: a merchant should 'in no wise been not seduced by any person to play any kind of game…nor to feasting, banketting, or keeping comanie with women, nor to fine and costlie apparell'.[60]

Another facet of Defoe's argument for temperance was his cautions against marrying too soon, for this would be the way to debt and ruin. Whereas 'our forefathers' knew not to marry too soon, now businessmen were ignoring this and marrying quickly to their peril:[61]

> when he brings home a wife, besides furnishing his house, he must have a formal housekeeping, even at the very first; and, as children come on, more servants, that is, maids or nurses, that are as necessary as the bread he eats; especially if he multiplies apace, as he ought to suppose he may; in this case let the wife be frugal and managing, let her be unexceptionable in her expense, yet the man finds his charge mount high, and perhaps too high for his gettings, notwithstanding the additional stock obtain'd by her portion; and what is the end of this, but inevitable decay, and at last poverty and ruin?[62]

Marriage in itself brought many costs, even if the husband and wife themselves tried to live frugally.[63]

Anxiety about extravagance went far beyond the manuals. Public warnings of the damage that overindulgence could produce, resulting in bankruptcy or even suicide can be seen in

[59] *Ibid.*, p.124.

[60] Browne, J., *The merchants avizo* (London, 1607), p.4.

[61] Defoe, *Complete: vol.I.*, p.131.

[62] *Ibid.*, p.133.

[63] *Ibid.*, pp.126-145.

newspapers as well. The *Whitehall Evening Post or London Intelligencer*, January 18th, 1750 warned its readers about the havoc dedication to 'Extravagance, Gaming, and an immoderate Pursuit of Pleasures' could wreak. It gave one example of a tradesman with a good fortune, a good wife and pleasant children, who lost it all through 'rural Excursions, to Cock Matches or Horse races, and Dinner-Parties in the neighbouring villas'. After this, the author reported that 'he took a pistol into the Hand that had been accessory to his Loss of Liberty and Fortune, to do the last mad Action, deprive him of his Life'. This moral tale had the point for tradesmen that 'your whole Lives should not be dedicated to Pleasures' where 'in Poverty, Friends, or those who call themselves so, fall off, and those who pretended Respect, insult and despise him, whose Indolence and Voluptuousness has brought him to want Bread'. Extravagance was held in part to be a result of the company one would keep. The best way to deal with this was to avoid bad company 'as we do with Ships arriving from an Infected Coast'. When making new acquaintances, a businessman should, 'oblige him to perform a due Quarantine; I mean, give some Proof of his Sanity by Application and Diligence, Industry and Labour, before he harbour among us, or we have any Commerce or Connexion with him'.[64] And signs of intemperance could lead to business isolation.

Other articles depicted the ease with which young unsuspecting tradesmen might be lured in. In one 'E.D.' wrote of the temptation of gambling at billiards in the *London Evening Post* and the danger of 'sharpers'. Reporting a stroll around Covent-garden he passed a house where a billiard table was kept and observed some fellows playing, later to find out

[64] *Whitehall Evening Post or London Intelligencer,* 18 January, 1750.

they were gambling. There was a 'young fellow coming into the room, whom by his appearance I then took to be a tradesman' and played for smaller sums, the tradesman winning. Given confidence by this they then upped the bet, all the while the 'sharper' playing to not win easily, but just win, giving the young tradesman hope that he might regain his loss, until 'he had lost 50l all the money he had about him, and which most likely he had received in a payment bill from some good customer a short time before'. Even that did not stop the tradesman who

> Still entertaining hopes of recovering his loss, he offered to play his watch against three guineas…the watch soon followed the rest; and no, having nothing more to lose, he took himself off with a countenance full of sorrow and disappointment

Later the author would note that the tradesman 'had good success in business and was supposed to have been in a very thriving way; but I have since seen his name in the list of bankrupts'.[65]

The Chinese business handbooks contain protests against the same vices. The *Gongshang qieyao* prohibited gambling and drinking and added descriptions of the damage businessmen could suffer from indulging in these activities. On gambling, it warned 'those who gamble and whore are without exception wastrels. They use up all their money until death. This all people know'.[66] On the perils of drinking:

[65] *London Evening Post*, 7 June 7, 1789.

[66] *Gongshang qieyao* [Essentials for the artisan and merchant] in Wu, Z. *Shanggu bianlan* [Guide for traders and shopkeepers] (1792), p.21.

> Although alcohol and wine can make you merry, overconsumption is immoral and will lead to poor performance in your work. You will be unable steer a boat against the wind, guard your shop against theft or guard your house against fire. You will make errors when you trade and mistakes in dealing with customers. You will lose your righteousness[67]

Similarly the *Dianye xuzhi* warned against expensive clothes and gambling, otherwise calamity could easily set in. Even gambling paraphernalia was not be allowed into the shop. [68] And even when it was a festive period, businessmen were expected to remain sober.[69]

Temperance was linked to the idea of honour and gentlemanly conduct. The *Xigu xuzhi* (Essentials for apprentices) 'Gambling is a thing a businessman should not learn. Even if others gamble, he should neither be an onlooker nor talk about the gambling. As for visiting prostitutes this harms both body and character, and should not be touched at all'.[70] The *Shishang yaolan* declared that gambling always meant the gambler would leave with a loss. These prohibitions were linked to being a gentleman.[71] The *Dianye xuzhi* also had much to say on this. Within its 'five precautions' which a merchant should abide by, it argued that 'amusements cost a lot of money, make you immoral, become a *xiaoren* (petty person), gentlemen do not indulge in this'.[72] This linked the idea against spending on personal leisure with the idea of being a gentleman. In its final poem it

[67] *Ibid.*

[68] Yang, 'Dianye xuzhi', pp.237, 241.

[69] *Ibid.*, p.241.

[70] *Xigu xuzhi* [Essentials for apprentices], reprinted in the appendix of Yang, L.S., 'Schedules of work and rest in Imperial China' in Yang, L.S. (ed.), *Studies in Chinese institutional history* (Cambridge[Mass.]: Harvard University Press, 1961), p.39.

[71] *Shishang yaolan* [Essentials for gentlemen and merchants] (seventeenth century), pp.2, 10.

[72] Yang, 'Dianye xuzhi', p.238.

suggested businessmen should spend their free time studying rather than on expensive habits, a habit associated with the Chinese literati.[73]

In sum the ideal of thrift, consisting of frugality and temperance was presented in similar ways in both England and China, broadly speaking. Both argued that frugality mattered for business survival, if not being a guarantee of positive success. And in both regions condemnations of vice, in particular gambling, whoring and drinking were much the same, as well as the warning against expensive pastimes, pointing to a similar code of conduct or morality with regard to vice and luxury. However there were important differences. The Chinese manuals often refer to the importance of the family and the provision for it, in their justification for thrift. Conversely, in English handbooks, nationalist arguments appear to justify saving wealth by not consuming luxury, as well as religious arguments. In linking marriage and luxury we find Defoe depicting a sea change, lamenting the fact that he believed that thrift had suffered in England.

Charity

Charity served as a means for the business class to legitimate their wealth and confirm their new status, and was one form of expenditure that did not contradict the ideals of thrift. Joanna Handlin-Smith noted the projects in China undertaken by merchants were to 'advertise their own philanthropy' and Hancock, writing of merchants in England, saw

[73] *Ibid.*, p.243.

this motive in their drive for 'improvement'.[74] The place of charity in the ideal of the businessman, as presented in the business advice literature, is examined here. However, in the ideal of the businessman it is interesting to contrast how and why this spending took place. The Chinese and English manuals do not deal with charity. For evidence we have to turn to other sources. This section examines the justifications that businessmen had for charitable spending, for instance being a good Christian or Confucian, and the drive for respectability. It also looks at the economic significance of what they did spend on, what purpose these had and whether businessmen were called to divert much or little of their resources to these projects.

Chinese businessmen and the ideal of charity

Looking at the ideals of charity, the manual *Shanggu xingmi* gives advice on charity. It advocated helping and sharing the happiness and achievement from trade. A trader should share their wealth around and not keep it all to himself.[75] However, the handbooks do not deal much with charity.[76] We have to use other sources in particular exemplary merchant biographies. These were written by officials for gazetteers (local histories) and brought out what they saw as exemplary moral behaviour by the business community. The biographies discussed below concern wealthy Huizhou merchants. Examples of virtuous behaviour are lauded. For example, in a biography written in the late Ming

[74] Hancock, *Citizens of the world*, pp.279-319; Handlin-Smith, J., *The art of doing good: charity in late Ming China* (California: University of California Press, 2009), pp.285-6.

[75] Li, *Shanggu xingmi*, p.322.

[76] Lufrano, *Honorable merchants*, p.90.

period of a gentleman named Wang who made his fortune as a merchant, there were accounts of him giving to the poor

> Mr. Wang liked to help people and to give assistance to the poor. If anyone among his kinsmen could not afford a funeral for his parents, Mr. Wang would always buy some land and build a tomb for him. As soon as he heard someone could not make ends meet, land to rent to him. Whenever he was out traveling and met some unburied spirit, he would bid his servants bury it and present some offerings[77]

There are many further examples. For example, we find Mr. Wang being celebrated for helping with food crises and using his wealth to repair damaged village bridges.[78] One strand running through all charitable giving, and apparent in the excerpt above, is the key role of the family, and how family-focused this charity giving was. Mr Wang gave most to his kinsmen, a factor stressed in all the merchant biographies and across all spheres of endeavor. Below, the ideal of Chinese businessmen in the realm of alms, education and religious giving, and economic projects is investigated.

Firstly, looking at alms to the poor, an important area was providing food in times of need. From the early Qing businessmen increasingly took the lead in local charity.[79] There are many examples of the business community leading or at least working with local officials in times of need. In the diary of the seventeenth-century official Qi Biaojia, a native of Shaoxing who served in Fukien and Kiangsu, we can find a good example of this. On the unanticipated arrival of masses of vagrants into rural areas of his district in 1641 he reported that shop owners were to take a part in helping and provide charity:

[77] Ebrey, *Chinese civilization*, p.159.

[78] *Ibid.*, pp.159-60.

[79] Handlin-Smith, *Art of doing good*, pp.285-6.

'The prosperous shop owners in the market should provide rice for the soup kitchens; the less affluent shop owners, firewood and silver'.[80] This also displays an interesting distinction in the type of provision expected from differing sized businesses. Contributions should be proportional to the size of the business.

The biographies note alms to the poor from the business community. Bi Mao Cheng, a merchant in Zhejiang is reported to have witnessed extreme hunger during famine in his local area and, being moved by this, decided to provide relief. This took the form of provision of free rice for beggars. The reported scale of Cheng's charity is vast, and was probably exaggerated: the biography states that every day he supported thousands of people through these acts of benevolence. The biography ends by saying that in this way he used up all his wealth, ending in a commoner's home, dying in bed and only possessing the coffin he was buried in.[81] This shows how seriously charity should be taken by the businessman. It was accepted and even praised here that this businessman gave all his wealth, while alive, to charity.

The biographies do report that merchants received great local praise for their actions in this field. Cheng's alms-giving was echoed by Wu Min Yin, another merchant who saw the deprived state of the people in his locality. Thereupon he filled a boat with wheat to give to the starving people, continuing this provision for a long time, so that in the end, the biography reports, the number of lives he saved was incalculable. Similarly after a

[80] *Ibid.*, p.189.

[81] Wang, T., and Zhang, H. (eds.), *Ming Qing Huishang ziliao xubian* [Selected materials on the Ming-Qing Huizhou merchants] (Huangshan shushe, 1997), p.319.

nearby water disaster he appealed to other merchants to help and gave food to the starving. He is praised in the biography as a righteous man: 'How could I not be ashamed if I did not willingly donate the grain from my granaries in times of distress to those living in my native place?'[82] Geng Hui Ying Zhang, a merchant who worked on the Huai salt monopoly, provides another example. He is described as providing coffins for kin (showing the emphasis upon the family), giving out jackets, building a temple, raising children, making rice gruel for the starving and providing shelter for the homeless. During one epidemic he is credited with providing medicine, and, using the same phrases as above, continuing his charity to the point where the lives saved, the biography trumpeted, were countless.[83]

It was not only in times of disaster that businessmen would provide charity. Another way in which the business community could be involved was in procuring and distributing grain. In early 1641, Qi Biaojia, the official discussed above, had officials and merchants work together in order to supply grain at stable prices. For the merchants this meant selling grain at 'fair' prices and supplying places as the officials directed, whereas on the part of the officials it meant reducing or forgoing levies on the transport of grain. This method of using merchants to help their activities was called *tongshang*. Qi's diary recounted that 'I believe the only solution to the food shortage is to facilitate merchant trading; therefore one should generally encourage and sympathize with merchants'.[84]

[82] *Ibid.*, pp.319-20.

[83] *Ibid.*, p.321.

[84] Handlin-Smith, *Art of doing good*, pp.203-205.

A similar logic is visible in the story of the construction and management of the Kuijing cang, a grain warehouse in the county city, described in the merchant biographies. In the mid-eighteenth century when famine was rife and the local gentlemen needed money to purchase grain, they appealed to the merchants to use their power to help. In return they received 60,000 gold to build a grain warehouse, to be managed by the gentlemen. Fifteen years later Li Min, the official who had been running the warehouse and who was near retirement, could find no one willing to manage it because of the dire financial situation. They appealed to the merchants who donated 30,000 silver, and who in the end wound up taking over management of the warehouse, while promising not to make profit from it.[85] This displays, in a microcosm, the increasing responsibility of businessmen in local leadership and management during the eighteenth century.

Another major area of businessmen's philanthropy detailed in the Huizhou merchant biographies was focused on temples and schools. Yu Wen Yi in Yanzhen, began off life poor (a common claim) and then entering business and building up an empire from there, displayed all the virtues of frugality of a merchant through wearing cotton robes. His big contribution was to construct a temple and local academy for study as well as buying 10 acres of land for the burial of the deceased, and he is praised as getting to age 80 and continuing this type of donation.[86] Another example is that of Hu Tian Lu in Doumen during the Kangxi reign (1661-1722). Again, after starting from a humble background we find that aside from building new houses for family members after a great fire he donated 300 acres of land for the construction of a great temple. Moreover he built an official

[85] Wang and Zhang, *Ming Qing Huishang*, p.323.

[86] *Ibid.*, p.304.

public school and gave many students relief and aid to study there. He was praised as ensuring everybody could have access to education. This form of giving continued down through his family, again showing the importance of family ties and responsibility. His grandson is recorded as donating another 30 acres to the lands of the temple, again showing familial influence.[87]

Finally, another example along the same lines, but receiving official recognition, in a mark of the respectability to be had from charity, was that of Jian Ying Cui of Wuguan. Again, another successful merchant from a poor background, he gave away his business to his brother, but built a temple with his remaining wealth and contributed to a granary. The biography notes that he was commended publicly with a great feast or banquet in his honour, showing how members of the Chinese business community were recognized as honourable through their charitable works.[88]

The eighteenth-century guide to the bustling commercial city of Yangzhou, the *Yangzhou huafanglu* also depicts charity giving. This took the form of a thick description of the buildings and sights of the city in the eighteenth century. In one area it recounts the history of a temple, showing the importance of merchants over a long period. It described the site where a monk in the Yuan dynasty had entered a mountain. The record goes on to note that in the Ming a merchant built a temple on the mountain. Another merchant in the Qing, named Wang Ying Yu decorated the temple and then another merchant, Cheng Tongzi, redecorated it later in the Qing. Later, we find that Cheng Tongzi's son repaired

[87] *Ibid.*

[88] *Ibid.*, p.308.

the temple after it was damaged.[89] Again this underlines the importance of familial connections, and the responsibility of younger generations to continue projects created by their forefathers.

Economic projects formed another area of charitable giving for merchants. The construction of irrigation systems and roads feature in particular. The biography of Wang Qiang in Huaxiu notes the local violent rapids made the local river unsuitable for travel and the land either side unusable for agriculture. Wang alone donated 4,000 pieces of gold, which was the whole cost of installing the means to control the river, as well as building a stone bridge. Not content with this, he extended the roads in the area by 5 or 6 miles, according to the biography. The record states that after this boats were then able to use the river and travel safely for the public benefit and that the land that could now be irrigated and use extended to 100 acres. To this it was added Wang paid it all himself.[90] Similarly An Feng, a successful Huizhou merchant in the mid-seventeenth century, initiated a large river clearing project. This involved the expense of 11,000 pieces of silver resulting in the dredging of five warehouses of sand from the river.[91]

The story of Wang Xian Yi offered a similar exemplar. Aside from donating generously to provide rice, he developed the river. He constructed embankments and dykes for two miles, resulting in the people of the surrounding countryside building a commemorative tablet for Wang by the embankment, in a physical display of the respect he had earned.

[89] Li Dou, *Yangzhou huafang lu* [The decorated boats of Yangzhou] (1795; Zhonghua, 1960), p.346.

[90] Zhang and Wang, *Ming Qing Huishang*, p.335.

[91] *Ibid*., p.336.

Another merchant Yao Zhu also constructed embankments because of water logging. The record states that these did not collapse for a long time and helped produce fertile soils, resulting in the superior people of the region expressing their good wishes to him. [92] Finally, Yu Jun Jin, a merchant in Tushan, who also donated 100s of gold during a famine, saving many lives, and gave coffins for the dead, gave funds for river control. After two calamities with local embankments, which people were unable to rebuild, Yu decided to build embankments at his own expense, beginning construction on an auspicious day. When the embankment was completed it was called 'Shui Feng'. After this, the local village praised him, making a song about him and the embankment.[93] Charity led to social status.

English businessmen and the ideal of charity

English businessmen were heavily involved in charity, and held many ideas on the subject.[94] Grassby noted that 'merchants were committed to every kind of philanthropic endeavour' including the provision of food to the poor, and donations to education. Merchants proposed schemes to help the poor, applying the same logic and skills that

[92] *Ibid.*, p.336.

[93] *Ibid.*, pp.336-7.

[94] Andrew, D., *Philanthropy and police: London charity in the eighteenth century* (Princeton, New Jersey: Princeton University Press, 1989), pp.22-30; Fiscall, M.E., 'Charity universal? institutions and moral reform in eighteenth-century Bristol', in L. Davison (ed.), *Stilling the grumbling hive: the response to moral and economic problems in England, 1689-1700* (New York: St. Martin's Press, 1992), pp.124-6; Hindle, S., *On the parish?: the micro-politics of poor relief in rural England, c.1550-1750* (Oxford: Clarendon Press, 2004), p.144; Slack, P., *Poverty and policy in Tudor and Stuart England* (London: Longman, 1988), pp.196-7.

they had employed in business to tackle these social problems.[95] Similarly Hancock argued that the construction of churches, poor relief, disaster management, and projects to help the poor, hospitals and houses of correction such as Magdalen house for former prostitutes, were features of the merchant community involved in Atlantic trade.[96]

Figures are available showing the extent of charity by the business community. Wilbur Jordan calculated the extent of giving for different social groups in the long period 1480-1660. He found that while merchants only formed 10.52 per cent of all donors, they gave 43.17 per cent of total benefactions. Admittedly Jordan's figures have been the subject of attack for not accounting for inflation over the period, and for only being based on wills, but the margin is quite staggering. Giving to the poor, municipal betterment, education and religion all took a significant slice of donations, as in the Chinese case. Not only merchants, but tradesmen as a group, including retailers and shop keepers all gave generously. Their contributions are on a par with those of the lower and upper gentry as well as members of the professions for this period.[97] The importance of business contributions to education is evident. William Vincent, quoting Jordan in his study of grammar schools during 1560-1659, noted that the large expansion in schools was because of contributions from many, 'but it was the merchant wealth of London, of Bristol, of Norwich, and even of the new town of the West Riding that first conceived

[95] Grassby, *Business community*, pp.277-8, 283.

[96] Hancock, *Citizens of the world*, pp.307-13.

[97] Jordan, W.K., *Philanthropy in England 1480-1660: a study of the changing pattern of social acquisitions* (London: Routledge, 2006), pp.338, 348-9, 350.

and then completed this grand design'.[98] Vincent argues that without merchant support, these projects would not have been undertaken.

Records of private charity by the business community display the variety of forms that alms could take and encouraged readers to emulate the acts they reported. Reports in the *London Evening Post* in December 1756 record that

> The Gentlemen and Tradesmen in Penrith, have opened a Subscription for the relief of the Poor in that Parish; and upwards of 150 families, in Proportion to their Number and several Exigencies, received their Quotas of Corn last Monday, which will be continued every week, at least for three or four months [99]

The actions of these tradesmen appear to have inspired others, including those who one might have assumed would have taken the lead in the provision of relief for the poor. A month later the *Post* declared that

> The Penrith subscription…meets with daily Encouragement. His Grace the Duke of Portland has added a charity of Fifty Pounds to it; by which truly noble Benefaction the Managers will be able to continue their relief to many distressed Objects 'till May Day, and supply them Weekly with corn at Two shillings the Winchester Bushel, which is Three shillings and Two Pence, or upwards in the Market [100]

An initial donation by tradesmen allowing the selling of grain below market value led to others getting involved: merchants were not just emulators in charity.

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[98] Vincent, W.A.L., *The grammar schools: their continuing tradition* (Murray: London, 1969), pp.5-6.

[99] *London evening post*, 14-16 December, 1756, quoted in Lewis, W.S., and Williams, R.M., *Private charity in England, 1747-1757* (New Haven: Yale University Press, 1938), pp.24-5.

[100] *London Evening Post*, 4-6 January, 1757, quoted in Lewis and Williams, *Private charity*, pp.24-5.

Businessmen's objects of charity include benefactions left to the poor, hospitals and farmers under distress. For example, the *Gentleman's Magazine* in 1750, listed charity in its 'list of Deaths for the Year 1750. Mr Willis, stationer, lately deceased, left five hundred pounds to the poor of St Margaret's, Westminster, not having alms, 500 l. to the Westminster Infirmary, and 6000 l. to the farmers about Tothill fields, who had suffered by the cow distemper'.[101] Similarly, in the *World and Fashionable Advertiser* of July 1787 describes one Mr. Thornton, as a model tradesman: 'If the Great British tradesman be a portrait as interesting as it ought; more predominating charm of character, wealth more honourable got, and more laudably enjoyed, no where can be found! The Grandeur of His bounty has been by different accidents discovered, Through much of his life, there is best reason to think his Private Donations have amounted to 3000l. a year!'.[102]

Businessmen's charity also regularly included benefactions for the establishment of funds to educate the children of the poor. For example, The *London Evening Post* in August, 1757 reported an apothecary leaving money for education:

> Henry Kelway, a Native of Saltash in Cornwall, but late of Plymouth, Apothecary, deceased, by his Will gave a considerable real and personal Estate to trustees, who were to employ the Produce thereof in educating in Plymouth two or more Children, Boys or Girls of Testators Relations, and in providing for them Schooling, Diet, Cloathing, and Books, till fit to be placed out, who are then to be sent Abroad to Trades or Professions, and maintain'd till twenty-four, if Boys; or if Girls, till they attain that Age, or sooner marry'.[103]

[101] *Gentlemen's Magazine*, October 1750, quoted in Lewis and Williams, *Private charity*, p.95.

[102] *World and Fashionable Advertiser*, 14 July, 1787.

[103] *London Evening Post*, 6-9 August, 1757, quoted in Lewis and Williams, *Private charity*, pp.29-30.

This is one case where charity was also provided on a familial basis, as in China, although certainly these cases are not as numerous.

English political arithmeticians, however, show a different take on economic projects and alms from the ideal of the Chinese businessmen. This group of thinkers included merchants and businessmen, such as Sir Josiah Child and John Cary. Their main concern was with national wealth and the maximum utilization of the labour force. A particular problem was those in poverty. They argued it was a duty to provide these people employment, to prevent them from lapsing into 'destructive' consumption-only poverty, which was a drain on the national purse. They accepted that there would be a certain number of impotent poor (those who could not work) who should be provided relief, but the ideal was that everyone who could work, should work. To this end, they advocated setting up factories for their labour, 'collegiate cities' and the provision of training.[104]

The work of Sir Josiah Child in his *A new discourse of trade* (1745) illustrates these ideals. Child devotes a chapter to 'the Relief and Employment of the Poor'.[105] He suggested that the poor had to receive help and aid. His remedy was to have a council of the 'Fathers of the Poor' which would be elected from the local great and good to ensure the employment of the poor and provide aid. Interestingly, the operation of the committee would be based upon the management of the East India Company according to Child.

[104] Andrew, D., *Philanthropy and police: London charity in the eighteenth century* (Princeton: Princeton University Press, 1989), pp.22-30.

[105] Child, J., *A new discourse of trade* (London, 1745), p.86.

This would perhaps be a case of using business knowledge to help organize poor relief.[106] There were many other schemes proposed including hospitals and working schools in Sir Francis Brewster's *Essays on trade and navigation* (1695) and almshouses in John Cary's *An essay towards regulating the trade and employing the poor of this kingdom* (1717).[107] Indeed, John Cary believed that providing employment for those in poverty would result in a virtuous economic circle. In his *Reasons for passing bills for relieving and employing the poor* (1700), he noted that

> If the Poor be set to work, they will consume more of our Manufactures themselves than now they do, and pay for themselves out of their own Labours…There will be a greater Consumption of Cloth,...and thereby many more People will be employed [108]

One of the most famous schemes for the poor was proposed by the London tradesman and noted philanthropist, Thomas Firmin. His most important work, *Some proposals for the employment of the poor* (1681), proposed reducing unemployment by setting up schools to teach useful skills. He put forward the idea of setting up houses for the aged so they could be provided for. Another idea was to provide flax for the unemployed to spin, which they could do within their own homes. He gave numerous reasons why these proposals were profitable. He argued that this would mean that the poor could always find work, and that those who were idle would not be subject to pity, since these houses would always be available.

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[106] *Ibid.*, pp.86-110.

[107] Brewster, F., *Essays on trade and navigation* (London, 1695), pp.57-68; Cary, J., *An essay towards regulating the trade and employing the poor of this kingdom* (London, 1717), pp.112-6.

[108] Cary, J., *Reasons for passing bills for relieving and employing the poor* (London, 1700), p.6, quoted in Andrew, *Philanthropy and police*, p.30.

However, Firmin also argued his scheme would benefit the givers. Not only would the setting up of these workhouses mean that 'all that have any bowels of compassion would find themselves greatly eased in their mind and their enjoyments of the good things of this world more sweet and pleasant to them when they are not embittered with the sad thoughts of the wants and necessities of their poor neighbours', but their involvement was a function of their faith 'all good Christians…must needs rejoice to have a hand in such a work as this- that we have relieved the hungry, thirsty, naked, and imprisoned, or have been a means to preserve those that have fallen into those miseries and calamities'.[109] In this Firmin explicitly refers to religious justification for charity.

Not only did Firmin lay out recommendations. When his own house burned down on Lombard street, he rebuilt it and also built a house for the poor. He constructed a warehouse for the storage of corn to be sold to the poor at cost. In 1676 he built a workhouse to employ the needy in linen manufacture. The place never paid its way but still Firmin bankrolled it. His end was similar to many of the philanthropic Chinese merchants, and there are striking parallels between his monument and those of the Chinese businessmen. The construction of a marble monument erected to his memory stated that 'He thought himself born rather for the benefit of others than his own private advantage, yet the satisfaction of doing good, and the universal esteem of honest men made him the happiest person in the world'. As with the Chinese businessmen,

[109] Sherwin, O., 'Thomas Firmin: Puritan precursor of the WPA', *The Journal of Modern History*, 22:1 (1950), pp.38-41.

commemorations of the charitable work of businessmen were prominent, displaying the respectability people of their occupation could occupy. [110]

Another member of the business community who advocated schemes to help the needy was John Bellers (1654-1725). His most famous work was *Proposals for raising a colledge of industry of all usefull trades and husbandry* (1695). In this he proposed that free-standing cooperative communities be established which would contain both agriculture and manufacturing. They would be self-contained providing education for the young and provision for the aged. Indeed, the ideas of John Bellers partly grew out of the work of John Cary, a Bristol merchant who had put forward his arguments for large workhouses to be constructed.[111]

In sum, both the businessmen of China and England spread their wealth across a range of charitable projects, many of them similar in orientation. Spending in times of distress, education and food provision was all important. In justifications for giving, religion or belief did play a part, though it is implicit in the Chinese biographies, since these would be written by those who had undergone a distinctly Confucian education in the rise to officialdom. This is evident in their many references to righteousness. In England, those such as Firmin positively stated their belief that to give charity was Christian. Both sides also report the respectability which this conferred upon the businessmen, in the

[110] *Ibid.*, p.41.

[111] Bellers, J., *Proposals for raising a colledge of industry of all usefull trades and husbandry* (London, 1695).

biographies through their celebration by the literati, and we find them being celebrated publicly in newspapers, magazines and monuments in England.

There are, however, differences in the nature of the charity given between the two cultures. The first is to note that, as in the previous section on thrift, the family formed one of the main focuses, for charity among the Chinese businessmen, across all areas of giving. Additionally, there was a responsibility for familial continuity of charity projects. The Chinese businessmen also had, in the ideal described by the literati of the period writing these biographies, a focus on a group of economic projects, such as that on roads and irrigation (perhaps a variant on food provision) that were held to be important, which do not feature in the ideal presented in the advice literature of England. Conversely, in England there was a blending of alms and economic projects through the development of the notion of employing the poor through workhouses, for the benefit of the national wealth. This did not have a parallel in China.

Contentment

The industrial revolution in England has, in part, been put down to an attitudinal change towards wealth which occurred during the seventeenth and eighteenth centuries. Keith Thomas argued wealth became a new life goal, John Smail in his study of the Halifax business community of the eighteenth century saw that there was the development of a profit-motive, and most famously, Alan MacFarlane put forward his 'individualism'

thesis .[112] Further, Grassby argued that the proscription of commercial activity elsewhere and denigration of wealth meant this was not so in other regions, in particular, China.[113] In China, gentry status was not achieved by wealth in the main, but rather, as many have noted, by education and the imperial examination system which led to official titles.[114] Weber argued for an inner-worldly asceticism in China and Asian regions, in contrast to Western material concerns.[115] Given these views, it is interesting to investigate the role of the ideal of contentment and whether wealth was indeed presented to the business community as an 'end of life' in England, but not in China.

Chinese businessmen and contentment

A central concept in the Confucian doctrine is that of contentment, the idea that one should not strive after mere material possessions which are seen as a never-ending path of wants. This is evident in Confucius' *The Analects*. One element which stands out on this point is the passage: 'The Master said, "In the eating of coarse rice and the drinking of water, the using of one's elbow for a pillow, joy is to be found. Wealth and rank attained through immoral means have as much to do with me as passing clouds."'[116] The underlying principle was that one should be satisfied with what one has got. Chen then

[112] Thomas, *Ends of life*, pp.142-6; Smail, *Origins*, pp.70-6; MacFarlane, A., *The origins of English individualism: the family, property and social transition* (Oxford: Basil Blackwell, 1978).

[113] Grassby. *Business community*, pp.50-1.

[114] Grassby, *Business community*, p.51; Ping-ti Ho, *Ladder*, pp.41-52; Elman, B.A, *A cultural history of civil examinations in late imperial china* (Berkeley: University of California Press, 2000), p.533.

[115] Weber, *Max Weber*, p.196.

[116] Confucius [trans. D.C.Lau], *The Analects* (London: Penguin, 1979) , p.88.

argued this was linked to the idea that material wants and desires were never-ending.[117] This Confucian doctrine can be found in Chinese business handbooks. In the *Shishang leiyao* for example the exact same doctrine is espoused in argument for the satisfaction that could be derived from even having coarse rice and bad clothes.[118] These principles oppose the idea of wealth as a life goal. This can also be found in the *Shanggu xingmi* when the authors refer to the insatiability of ever increasing wants. The author talks of the fact that those who are of a greedy disposition will never be satisfied with what they have, and that they will always complain about not having enough.[119]

A consistent doctrine on material satisfaction reframed for businessmen stretches across Chinese manuals and time periods. This doctrine can be seen in the *Dianye xuzhi* which contains a section called *zhizu* (to be content with one's lot) noting that people should be happy with what they have, and not think of the times when they are not so fortunate. Indeed, 'now's fortune, one must cherish'.[120] This idea is linked to Confucian ideals and crops up in the *Maoyi xuzhi*: 'open a shop you must have enough strength to make money and be content with your lot'.[121] Turning to the *Shanggu xingmi*, we find this concept again directly expressed in the need to be satisfied with what one has and not overspend.[122]

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[117] Chen, *Economic principles of Confucius*, pp.213-4.

[118] *Shishang leiyao* [Essentials for Gentlemen and Scholars] (1626), repr. in Yang, Z., *Mingdai yizhan kao* [Studies in the Ming postal relay system] (Shanghai, 1994), p.364.

[119] Li, *Shanggu xingmi*, p.310.

[120] Yang, 'Dianye xuzhi', p.237.

[121] Wang, *Maoyi xuzhi*, p.348.

[122] Li, *Shanggu xingmi*, pp.310, 282.

The Chinese manual authors also question what constitutes true wealth. The *Shanggu xingmi* makes it clear that money is not wealth, but rather the 'wealth' lies in the actions that made the money, and that this should be the basis of merchant decision making: 'do not look at the money, but the actions that you did in order to earn it as the real wealth'.[123] In addition, a person was seen to be wealthy if they had morals rather than actual physical money 'money is not as important as morals'.[124] It was argued that wealth and virtue did not go together necessarily, and that profit should not be got from misery.[125] A central aim of the businessman was seen to help others and share the happiness derived from wealth or trade.[126] Furthermore some argued that it was bad to be addicted to wealth and that this would lead to a loss of righteousness.[127]

We find this questioning attitude to wealth expressed in the contemporary folktales of the period in China. In *Money makes cares* wealth is seen to be a burden, indeed 'making cares'. The story compares two neighbours, the hard working Chen Boshi, spending his time industriously and handling finance and his neighbour Li the Fourth, who barely earned a living with his only amusement being his flute. The wife of Chen hears Li playing and comments that he sounds so happy, saying 'We are so rich but we are never happy'. Chen notes that Li can be happy because he does not have great wealth. So to test this they give him money and Li stops playing and then just spends much time wondering

[123] *Ibid.*, p.311.

[124] *Ibid.*, p.270.

[125] *Ibid.*, pp.306-7.

[126] *Ibid.*, p.322.

[127] *Ibid.*, p.270.

what to do with it, and stops playing. Ultimately Li gives back the money and continues playing.[128]

This deprecating attitude to wealth is also apparent in another story from the Ming-Qing period. Shen Qifeng, in 'A Village Girl', tells the story that a man tries to impress a girl for marriage through wealth and power by attaining the first position in the highest imperial exam and offering gold to her, yet through all this the girl remains unimpressed. The story ends 'The chronicler of this story comments: Even children know how to boast of wealth while officials always like to take advantage of their power to bully others. Wealth and power have sapped the integrity of many men, both ancient and modern'.[129] Wealth was seen as producing neither happiness, nor status without morality.

English businessmen and contentment

Yet these ideals were not peculiarly Chinese. There are clear parallels to the presentation of a Confucian justification for contentment in Steele's *Religious tradesman* which gives a religious justification for contentment: God commands us to 'be content with such things as ye have'.[130] Steele continues: 'In order to which happy disposition' one would have to realize several facts. Steele argued that one had to realize that material wealth was only temporary, and thus that 'absurdity of a solicitude for trifles'. Contentment

[128] Eberhard, W., *Folktales of China* (Chicago: University of Chicago Press, 1965), pp.180-2.

[129] Pu Songling, *Short tales of the Ming and Qing* (Beijing: Panda books, 1996), pp.127-30.

[130] Steele, *Religious tradesman*, pp.127-30.

could be achieved by reducing such desires 'I am sure I merit nothing, and so may be contented with a little'. Tradesmen were called to

> Restrain your fancies, and moderate your desires…Mens real wants are few…if our fancies and desires are made the measure of our necessities, we shall find no end to our imaginary wants…if our circumstances are moderate, we may as well sit down easy and cheerful now as then

echoing the warnings against never-ending wants in Confucius' writings.[131] Steele cited numerous passages of biblical scripture to support his point 'A little that a righteous man hath, is better than the riches of many wicked', 'a man's life consisteth not in the abundance of the things that he possesseth', 'I have learned in whatsoever state I am therewith to be content', and also 'the love of money is the root of all evil'.[132] These appeals to scripture can be likened to the paraphrasing of Confucian texts for business use by the Chinese handbook authors.

Steele outlines the various ways in which businessmen could be content including more abstract notions regarding dealing with 'inconvenience' (unexpected business problems), loss and disappointment and being grateful to God for the position of being in business. He looks at material wealth specifically. Steele warns against sinful behaviours which work against contentment, such as ambition 'which is for aiming at things outside the tradesman's sphere', envy, on which he notes 'For he that rejoices at the prosperity of others, makes it his own: but he that envies it, deprives himself of the comfort of that which he possesses', and covetousness, seen as

[131] *Ibid.*, pp.130-2.

[132] *Ibid.*, pp.132-4.

> I mean an insatiable desire of riches; when men will be rich or think they cannot be happy…Riches neither make men more wise, happy, or good; and are no further desirable, than they are procured with a good conscience, and employed to good purposes [133]

These, although expressed in and rooted in Christian phraseology, were similar ideals to the Chinese.

Another set of reasons for contentment is apparent in Defoe's chapter condemning the 'purse-proud' or rather those who are proud or arrogant because of their wealth, making it a matter of honour and respect. Defoe was critical of those who would boast and try to intimidate others because of their greater wealth, which he saw as producing a hateful character in the tradesman. Rather he argued that a tradesman should be modest with regard to wealth to preserve his reputation. People would then respect the tradesman's judgment and he could serve as a peacemaker and a symbol of respectability. Being purse-proud meant that one could not be a gentleman, a point similar to the argument for righteousness in the Chinese handbooks: 'What is an impertinent Purse-proud Shop-Keeper among a Society of Gentlemen'.[134] The value of wealth was put in its place by Defoe: 'to be vain of the mere Wealth as such, is a Token of the greatest Meanness of Spirit that Mankind is or can be capable of'.[135]

Contentment was also depicted as an ideal of the businessman in contemporary publications. In *The Tatler* May 1710, we find the letter of one former businessman who

[133] *Ibid.*, pp.120-7.

[134] Defoe, *The complete English tradesman: volume II* (London, 1727), pp.249-50.

[135] *Ibid.*, pp.254-5.

decided to be a 'slave' no longer, perhaps portraying a classical idea of retirement from the bustling city to the countryside. His letter is worth producing in full:

> I have a good Fortune, partly Paternal, and partly Acquired. My younger Years I spent in Business; but Age coming on and having no more Children than one Daughter, I resolved to be a slave no longer; and accordingly I have disposed of my Effects, placed my Money in the Funds, bought a pretty Seat in a pleasant County, am making a Garden, and have set up a Pack of little Beagles. I live in the Midst of a good many well-bred Neighbours and several well-tempered Clergymen. Against a rainy Day, I've a little library: and against the Gout in my Stomach, a little good Claret[136]

In *The Spectator*, November 1712, an almost identical story appeared again. A 'merchant' wrote 'I can now inform you that there is one [a Merchant] in the World who thinks he has enough, and is determined to pass the Remainder of his life in the Enjoyment of what he has'. Interestingly, this extended to donating large sums to charity to put the poor to work in his gardens and building an alms-house. He invited anyone 'If your Affairs will permit you to take the Country Air with me…find an Apartment filled up for you…have free Egress and Regress about my House'.[137] Another letter in *The Spectator*, April 1717, praised a trader for exemplifying contentment

> The honest Man, has, I know, that modest Desire of gain which is peculiar to those who understand better Things than Riches; and I dare say he would be contented with much less that what is called Wealth in that Quarter of the Town which he inhabits, and will oblige all his Customers with demands agreeable to the Moderation of his Desires[138]

To be content with one's lot was seen as the ideal of behavior even for a retailer.

Defoe, in addition to the reasons noted above, gave practical reasons for a businessman to be content with a limited fortune. In his *Complete English tradesman* he outlined his

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[136] *The Tatler*, 25 May, 1710 in *The Tatler* (ed. D.F. Bond), ii.476.

[137] *The Spectator*, 19 November, 1712, in *The Spectator* (ed. D.F. Bond), ii.467-8.

[138] *The Spectator*, 23 April, 1717, in *The Spectator* (ed. D.F. Bond), ii.479.

ideal plans for the career of a tradesman. This did not extend to carrying on indefinitely in trade amassing greater and greater wealth. Instead, he imposed a limit on the wealth that a tradesman should amass and then retire. This limit was 20000 pounds, a large sum for the period, but a limit nonetheless.[139] This idea was justified as necessary so that other tradesman could also have a shot at making their fortunes and spread the benefit of the national wealth. Another reason was that trade was filled with inherent danger, as was discussed in the previous chapter, which could only be escaped through leaving it altogether. One of the main lessons Defoe thought a tradesman had to learn was to be content with what they had, and not keep on in the pursuit of ever greater wealth

> Let the wise and wary Tradesman take the Hint, keep within the Bounds where Providence has placed him, be content to rise gradually and gently, as he has done; and as he is sufficiently rich, if he will make it more, let it be in the old Road; go softly on, least he comes not softly down [140]

This escape of danger is similar to the reasons given in the Chinese manuals, though that Defoe linked it explicitly to the national good is unique.

In looking at contentment, we find that it was just as much an ideal in England as China. Religion was one justification in England for the call to restrain one's 'fancies' as much as the Confucian doctrine was in China. In both, seeking contentment was held to be part

[139] Earle puts the majority of the middle class between £500-5000 for those in London at the end of the seventeenth and start of the eighteenth centuries. However, £20,000 was nowhere near the £100,000 and more which would be the threshold `for a millionaire (though writing in 1989), and even £10,000 was held to be 'only a moderate fortune for a London merchant, financier or big wholesaler'. Earle, P, *Making of the English middle class: business, society and family life in London, 1660-1730* (London: Methuen, 1989), pp.14-15.

[140] Defoe, *Complete: volume II*, p.96.

of the ideal 'moral' character of the businessman. And in both, there was the practical concern that a focus on wealth might be dangerous and lead to losses, with Defoe and others arguing for leaving trade altogether and investing in land, something shared with the scholar-merchants of China, who built up wealth, then invested in land and education for their offspring. In England we find the argument that tradesmen should only earn a certain fortune for the good of the national wealth. For China, there was even a question of what wealth actually meant, and perhaps similarly, though with less explicit national emphasis, it was argued that the benefit of trade should be shared around. Notably, many of the references to contentment in the English case are from the eighteenth century, that is in the latter part of this period when others have argued a new mindset prevailed.[141] In the transmitters of merchant culture, at least, wealth had not triumphed as a goal unquestioned.

Conclusion

What we would have expected to find given some of the literature on the Great Divergence would have been an England with a strong ideal of thrift and a China with a strong ideal of charity and contentment. What we have found, however, is that none of these ideals were uniquely strong in either case in the formation of business values and culture that we can access. In fact, there is a surprisingly high degree of similarity. Thrift was espoused in the business advice literature in both China and England, and in much the same way. Charity was not pushed more strongly such that there was a diversion of

[141] Thomas, *Ends of life*, pp.142-6.

the wealth from business in China more than in England. The ideal businessman gave to charity in much the same way, through local improvements, helping the poor, and education. Finally, the idea of a material-based West against an inner worldly East has reflection in these articulations of business culture. The ideal of contentment was just as much a part of the businessman's ideal in England, as it was in China. Ultimately, this can be valuable in delineating how the business community in China and England dealt with the problem of wealth. The answer is: they did it in much the same way. This chapter has challenged the stereotypes which have been put forward by those seeking to explain the Great Divergence through how those in China and England dealt with the problem of wealth.

Yet Chinese and English business cultures they were not totally identical, and some of these differences may have been important for the Great Divergence, though not in the ways that have previously been identified. For the Chinese businessmen we find that the family constituted a distinctively important point. Family formed both the justification in the discourse on thrift, but also shaped the ideal of charity, which it was often centred around providing for the family, albeit the extended family. Furthermore, manuals emphasize the importance of familial continuity of charitable projects. In England debates on the economic good of the nation form a unique feature. This is apparent in arguments promoting temperance, and also in the ideal of contentment, for example in the idea that wealthy businessmen should retire to make way for the younger businessmen for the economic benefit of the nation. In addition, included in this element of benefitting the national wealth, was the support given by the political arithmeticians

(which included many of the business community) to economic projects which sought to provide charity through the enforced employment of the poor.

Chapter 4

Family and friends: re-evaluating 'familialism' and 'guanxi'

Two central concepts which are argued to have held massive sway over social relations within China of the seventeenth and eighteenth centuries are 'familialism' and 'guanxi'. These had implications for business performance. The former has been seen broadly as a unique feature of Chinese society, the centrality of the family. This can be defined simply as seeing that 'all ideas and behaviour were judged by whether or not they contributed to the well-being of the family. If they did, they were good, everything else was bad'.[1] This has been attributed to Confucian influences and included concepts such as the overriding authority of elders and the importance of filial piety, that is subservience and duty of offspring to their parents.[2] Indeed, during this period what Susan Mann terms the 'commoner family' emerged, which took the elite model of family relations, including giving surnames and tracing ancestors, highlighting the centrality of the family and family heritage. This development she argued, showed the success of state centred policies to promote the Confucian ideal of the family.[3]

[1] Eastman, L., *Family, fields and ancestors: constancy and change in China's social and economic history* (New York: Oxford University Press, 1988), p.15.

[2] Ebrey, P., *Women and the family in Chinese history* (London: Routledge, 2003), pp.11-12.

[3] Mann, S., 'Women, families, and gender relations' in W.J. Petersen (ed.), *The Cambridge History of China, Volume 9, part 1: The Ch'ing empire to 1800* (Cambridge: Cambridge University Press, 2002), pp.471, 448.

The other feature of Chinese society, guanxi, refers to a unique system of personal relationships.[4] This has been argued to have been part of the 'stock of everyday knowledge' in Chinese society 'then and now'.[5] This phenomenon has been the subject of much analysis by business historians. Gordon Redding in an analysis of Chinese firms argued that one could not analyse Chinese firms only by looking at legal networks, but also had to account for the unique Chinese means of networking through these personal relationships.[6] Others have made similar claims.[7]

In England, however, a number of historians have argued that society diverged away from family ties and network ties and instead developed a unique 'individualism' which is credited with helping spur the industrial revolution. In historical demography, John Hajnal outlined the European marriage pattern of relatively late marriage and a high proportion who never married, a pattern found all over Europe bar the East and South-

[4] King, A. Y-C., 'Kuan-hsi and network building; a sociological interpretation', in R. Ampalavanar Brown (ed.), *Chinese business enterprise: critical perspectives on business and management: volume 2* (London: Routledge, 1996), p.321.

[5] *Ibid*., pp.334-5.

[6] Gordon Redding, S., 'Weak organisations and strong linkages: material ideology and Chinese family business networks' in R. Ampalavanar Brown (ed.), *Chinese business enterprise: critical perspectives on business and management: volume 2* (London: Routledge, 1996), pp.396-7.

[7] Kao, C-S., '"Personal trust" in the large businesses in Taiwan: a traditional foundation for contemporary economic activities', in R. Ampalavanar Brown (ed.), *Chinese business enterprise: critical perspectives on business and management: volume 2* (London: Routledge, 1996), pp.406-7; Numazaki, I., 'The role of personal networks in the making of Taiwan's guanxiqiye (related enterprises)', in R. Ampalavanar Brown (ed.), *Chinese business enterprise: critical perspectives on business and management: volume 2* (London: Routledge, 1996), pp.419-20.

East.[8] This has been held to have held long-term consequences for economic development by Tine De Moor and Jan Luiten van Zanden. They argued that this increased investment in human capital and changed households from being backward-looking (focused on taking care of parents) into those that were forward-looking (focused on investing on offspring).[9] Alan Macfarlane in his classic *The origins of English individualism* argued that individualism could be defined as 'the view that society is constituted of autonomous equal, units, namely separate individuals, and that such individuals are more important, ultimately, than any larger constituent group'.[10] Macfarlane argued Britain did this first. These features had been apparent since 1400, and helped set in train the industrial revolution.

Lawrence Stone in his seminal *The family, sex and marriage in England 1500-1800* went further to argue that the early modern period saw the evolution of the family into the modern family form, from an open lineage with strict and extended family obligations to a 'closed domestic nuclear family' and the rise of affective individualism, rather than an already set system at the outset, as Macfarlane described. Under the latter system, marriages and child-parent relationships were easier and there was the recognition of children as separate entities. Notably, the middling classes, including those of the

[8] Hajnal, J., 'European marriage patterns in perspective', in D.V.Glass and D.E.C. Eversley (eds.), *Population in history: essays in historical demography* (London: Edward Arnold, 1965), p.101.

[9] De Moor, T., and van Zanden, J.L., 'Girl power: the European marriage pattern and labour markets in the North Sea region in the late medieval and early modern period', *Economic History Review*, 63:1 (2010), p.28.

[10] Macfarlane, A., *The origins of English individualism: the family, property and social transition* (Oxford: Blackwell, 1978), p.5.

business community, were the pacesetters in this instance.[11] Keith Thomas notes that friendship in this period was one element of the development of more autonomous relationships which were the subject of choice rather than obligation in the West, moving from old conceptions of friends being useful to newer ideas of friendship as a goal in itself.[12]

Referring to the business community in England many have argued for a rise of individualism. Nicholas Rogers studied eighteenth-century London businessmen, the 'big bourgeoisie', who entered parliament. He found that looking at the testamentary evidence left by merchants, wives and daughters were treated better in the sums they were left. He claimed this showed the rise of affective individualism.[13] Margaret Hunt in her study of the 'middling sort' found that there was a shift in family obligation and investment. Before the mid-seventeenth century, family members often invested within the family. However, after that period, investment outside of the family was increasingly common, indeed:

> In the long run the process by which individualistic economic behavior came to be normative owed much to the rise of large and fairly impersonal business institutions that allowed some people to escape with their money from the psychic morass of family needs [14]

[11] Stone, L., *The family, sex and marriage in England* (London: Penguin, 1979), pp.651-8. For Alan Macfarlane's response supporting his own view see: Macfarlane, A., 'Review: the family, sex and marriage in England', *History and Theory*, 18:1 (1979), pp.103-26.

[12] Thomas, K., *The ends of life: roads to fulfillment in early modern England* (Oxford: Oxford University Press, 2009), p.225.

[13] Rogers, N., 'Money, marriage, mobility: the big bourgeoisie of Hanoverian London', *Journal of Family History*, 24:1 (1999), pp.30-1.

[14] Hunt, M., *The middling sort: commerce, gender, and the family in England, 1680-1780* (California: University of California, 1996), pp.22-9.

This image of a China rife with familialism and guanxi, social responsibilities and obligations, and an England characterized by an individualistic mode can, however, be disputed. In examining the business community of seventeenth-century England, Richard Grassby suggested that the ideal 'bourgeois' individualist family, had not yet totally taken over.[15] The traditional rituals of the family and kinship still dominated and many of these features mirror those of familialism and guanxi which have been highlighted in Chinese societies:

> traditional rituals of family life remained largely intact…respect for elders remained a powerful force…Merchants socialized their children to regard its survival [the family] as more important than their interests as individual members [16]

Some organizations replicated wider circles of obligation, such as the Society of Friends.[17]

Even in love, family obligations could outweigh ideals of romantic love.[18] Margaret Hunt and Peter Earle both argued that the size of the bride's 'portion' and other material matters were still very much important determinants in marriage.[19] Beyond this, in the

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[15] Grassby, R., *Kinship and capitalism: marriage, family, and business in the English-speaking world, 1580-1740* (Cambridge: Cambridge University Press, 2001), pp.387-417.

[16] Grassby, R., *The business community of seventeenth-century England* (Cambridge: Cambridge University Press, 1995), p.332.

[17] Prior, A. and M. Kirby, 'The Society of Friends and the family firm, 1700-1830', *Business History*, 1993:4, pp.66-85.

[18] Grassby, R., 'Love, property and kinship: the courtship of Philip Williams, Levant merchant, 1617-50', *English Historical Review*, April 1998, pp.335-50.

[19] Hunt, *Middling sort*, pp.151-5; Earle, P., *The making of the English middle class: business, society and family life in London, 1660-1730* (London: Methuen, 1989), pp.192-8.

eighteenth century there have been questions raised about how far a model of individualism such as Macfarlane's is accurate. There was still a big role for family and friends and networks. Naomi Tadmor, looking at the portrayal of family and friends in diaries, conduct books and novels of the period, argues that family and friendship networks were still important. Alongside individualism, with its independence and mobility, was a place also for 'cooperative and reciprocity, and successful manouevring through close networks of households and kinship, credit and commune, friendship and patronage, politics and conviviality'.[20]

In China on the other hand, there were social and economic currents which militated against familialism and guanxi, as Mann depicted:

> men and women in late Ming and Ch'ing China were being drawn into family relations and sojourning networks structured by economic relations, territorial expansion, and patterns of mobility that drew males and females apart

Ultimately, the strength of familialism and guanxi varied according to region and period.[21] Dorothy Ko has found evidence of the rise of companionate marriage in seventeenth-century China.[22] Across these two areas ran the needs of the cut and thrust of business, raising questions about the extent to which one should rely on oneself, and how far one could trust and should be obliged to others.

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[20]Tadmor, N., *Family and friends in eighteenth-century England: household, kinship, and patronage* (Cambridge: Cambridge University Press, 2001), p.278.

[21] Mann, 'Women, families and gender', p.471.

[22] Ko, D., *Teachers of the inner chamber: women and culture in seventeenth-century China* (Stanford, California: Stanford University Press, 1994), p.179.

This chapter is split into two sections. The first analyses discussions of friendship in business advice literature. It considers what a friend was and how a businessman should treat them. The second section looks at attitudes to the family. Here the extent and depth of family obligation is considered, examining the claim that familialism played a distinctive role in China against undercurrents of individualism in England.

Friends

According to Keith Thomas, the ideal and definition of friendship, in early modern England emphasized friendship based on mutual self-interest. It was not necessary to like one's friends. Friends were likely to be one's kin, those who were allies or backers, or those who shared the same place, that is one's neighbours who could serve some useful function. During the seventeenth and eighteenth centuries, however, an idea of friendship emerged which was non-instrumental, involving the ideal of 'perfect friendship'. This went beyond mere acquaintance, which was just sharing news and talk. Parallel to this development were popular notions of the dangers of false friends and an accompanying wariness about friendship.[23]

Confucianism parallels some of these ideals. It stressed the importance of mutual-benefit in friendship, in particular the aspect of moral improvement involved in the making of friends. There was a stress on hierarchy in friendship and parallels were drawn between the other four hierarchical relations in the Confucian canon and the types of friendships

[23] Thomas, *Ends of life*, pp.187-97.

one should make. This included frowning on friends of equal status, that is non-hierarchical friendships, since nothing could be gained and these would not be based on mutual-assistance. It stressed the need for wariness about friendship and the fleeting nature of emotional friendship. Neo-Confucianism went one step further to argue that friendship should only be undertaken to further the individual's learning of the Confucian way. Norman Kutcher, in one of the few works on Chinese friendship, notes that writers appearing in the seventeenth and eighteenth centuries may have begun to advocate companionate friendship, not based entirely on these Confucian ideals.[24]

In both China and England, manual authors advocated having friends who would be useful to the businessman. This utility could take the form of moral improvement or being useful in learning and doing business. Wright's *The complete tradesman* (1786), recommends that friends should be made from among those who could contribute to the future welfare of the tradesman: 'by such choice of companions or intimates, he will strike out, as it were, a new train of business, and possibly receive and confer a reciprocal benefit without hurting an other person'.[25] Defoe, in his *Complete English tradesman*, advised that in the tradesman's spare time he should talk with other tradesmen, so he might better learn his trade because 'here he is made a *Complete Tradesman*' by seeing 'how other men thrive, and learns how to thrive himself'.[26] Even if the other tradesmen were incompetent, he could learn how not to do business from their mistakes. Defoe used

[24] Kutcher, N., 'The fifth relationship: dangerous friendships in the Confucian context', *American Historical Review*, 105:5 (Dec., 2000), pp.1615-29.

[25] Wright, W., *The complete tradesman* (London, 1786), p.4.

[26] Defoe, D., *The complete English tradesman: volume 1* (London, 1732), pp.40-1.

the analogy that a man could learn French even by talking to the French, who were fools: 'Thus among your silly empty tradesmen, let them be as foolish and empty other ways as you can suggest'.[27] What mattered was that they were tradesman, and they could be learnt from.

The *Apprentice's vade mecum* (1734) also argued that friends needed to be made from among one's betters and those who might help in business 'particularly have an eye to the acquaintance of such persons, as may promote him in his Business'.[28] This conception of friendship as useful matches Thomas's older notions of friendship. However, manuals also contained other, richer and closer, ideas of friendship. A good friend according to the *Whole duty of an apprentice* (1755), was rare. A good friend was one who would offer criticism to your face, rather than behind your back, unlike the many false friends.[29] Once a good friend had been found the relationship had to be preserved at all costs: 'I earnestly recommend it to you, to do every thing to promote his interest and happiness'.[30] Again, this points out that the ideal friend was one who would be useful to the businessman. A friend should promote the interest of his friend. It did not refer to the 'perfect friendship' of Thomas.

Friendship was one of the five cardinal human relations according to Confucianism and was seen as being useful. Friends could be valuable as teachers through being colleagues

[27] *Ibid*., p.42.

[28] Anon., *The apprentice's vade mecum* (London, 1734), p.41.

[29] Anon., *The whole duty of an apprentice* (London, 1755), p.56.

[30] *Ibid*., p.57.

which one could learn from. In this way they could help with the aim of self-cultivation by correcting one's mistakes. However, we find warnings that one must be careful in selecting a circle or group of friends.[31] This is summarized by Confucius in *The Analects*:

> You stand to benefit from three kinds of friends, and you are bound to suffer from three kinds of friends. You stand to benefit from friends who are forthright and upright; friends who are generous and forgiving; and friends who have a breadth of knowledge and experience. You are bound to suffer from friends who are given to being partial; friends who are too amenable; and friends who are disposed to being glib [32]

In the *Dianye xuzhi* the author suggests that the best type of friend, mirroring the English handbooks and the ideal laid out by Confucius, was to be made from those who would point out your flaws in an honest way directly to you: 'A real friend is one who points out your shortcomings and instructs you how to overcome them. This is a real friend. All others are superficial friends'. This point was reiterated at the end of the manual. One of the five main precautions of doing business, was not making friends indiscriminately as this was one of the five cardinal relations. The manual emphasized waiting until you really got to know somebody, to know their 'heart' as the manual put it, and again stated that one must have good friends and eliminate the bad, that is not be afraid of breaking off a friendship lest it prove detrimental in some way.[33]

The *Shanggu xingmi* pointed out the importance of the different character types of friends. Mixing with those of 'high character' would make one become of high character,

[31] Berthrong, J.H., *Confucianism: a short introduction* (Oxford: Oneworld, 2000), p.90.

[32] Chin, A., *Confucius: a life of thought and politics* (New Haven: Yale University Press, 2007), p.150.

[33] Yang, L., 'Dianye xuzhi' [Essential knowledge for the pawn trade], *Shihuo yuekan* (July 1971), pp.236, 238.

whereas mixing with those of 'low character' would in turn make one become like them. This points out a moral dimension to friendship: 'Even if you have a lot of money, you will lose it, if you have bad friends. So how can you say that you have money when you have bad friends?'[34] Having bad friends would be perilous for even the supposedly successful businessman since these bad friends could lead one astray.

Advice on avoiding bad friends is sufficiently substantial in both regions to warrant closer inspection. There are many warnings against bad or evil company in the English manuals. Steele in *The religious tradesman* warned 'once you are entangled in the snare of evil company, you will find it very difficult to disengage yourself…for he that walketh with the wise men shall be wise, but a companion of fools shall be destroyed'.[35] We also see this wariness in *The whole duty* where the danger of making friends too easily was put starkly:

> one bad companion will rifle you of your reputation, friends, fortune and soul also; and when you are undone, will not help, but perhaps, with the rest of the world, reproach and despise you

In this, the manual pointed to the many who had been ruined by the keeping of bad company.[36]

Friends therefore had to be vetted, by the consideration of the family and one's business associates. In *The whole duty* we find the advice: 'Let not the being your countryman, schoolfellow, neighbour, no, nor even your relation, prevail on you to admit him to

[34] Li, J., *Shanggu xingmi* [Solutions for Merchants] (1635), repr. in Yang, Z.,(ed.), *Tianxia shuilu lucheng* [Water and land routes of the empire] (Taiyuan, 1992), p.270.

[35] Steele, R., *The religious tradesman* (London, 1776), pp.24-5.

[36] Anon., *Whole duty*, p.54.

become your intimate, till he is recommended by your master or parents'.[37] A friend had to have approval of his master or parents before being admitted to being a friend. The *Apprentice's vade mecum* argued that one had to avoid friends who criticized their master: 'shun, at the very first Acquaintance, the Company of all such would [have]…a mean or disrespectful Opinion of his master or his Family'.[38] One's primary loyalty was to the family and master. In *The whole duty* warnings were added against telling any secrets to friends 'should you divulge the secrets relating to either to the business or family of your master, you ought not only to be banished his house, but all civil society'. This shows a limit to the extent of friendship.

Friendship took time to cultivate, during which one would find out about the nature of a person. Slowness supported the caution one needed when making of friends: 'when experience has opened your eyes, you will see the cruelty, treachery, ingratitude and hollowness of some mens hearts'. For that reason, it warned, 'Be not therefore too hasty in commencing a friendship; those are ever the best which are not acquired till you have eaten a bushel of salt with them'.[39] In the *Apprentice's vade mecum*, making friends quickly was a 'romantic' idea:

> I could not think it impertinent, when I consider and have seen, how early some persons commence Intimacies; how generally mistaken young people are in the Romantick Construction they give to the sacred name of friendship [40]

[37] *Ibid*., pp.53-4.

[38] Anon., *Vade mecum*, p.42.

[39] Anon., *Whole duty*, pp.54-5.

[40] Anon., *Vade mecum*, p.41

This was a young and inexperienced person's mistake.

As a motivation, self-interest in friendship was paramount in the handbooks. The *Apprentice's vade mecum* argued that the tradesman always had to put himself first, even if their hard won friends were in dire need of help:

> there may be *some Cases* that may be very critical, and in which a worthy Friend may appear be so plung'd , as it may, without *great* Risques, in your Power to save him from impending Ruin: such an arduous Case, it may not be unworthy of your Prudence to step something out of the Way to rescue such a one: But even in *this* Case, let a *young* man do nothing rashly [41]

A businessman always had to be on the alert for these signs of friendships based on self-interest. In the *Whole Duty*, an apprentice had to continually test the integrity of a friendship to ensure that it was genuine. The manual warned that some friendships only lasted as long as the shared interest lasts, while others were made only for money: 'A friendship of interest lasts no longer than the interest continues…To know the integrity of your friend, try him before you have need of him, and if he is sincere, he will serve you, and not use you like flowers, smelled to, while fresh and fragrant, and afterwards lay you aside'.[42] This type of friendship would easily be extinguished once the interest or money had disappeared.

Warnings about 'false friends' are also found in the newspapers of the period, in the letters of tradesmen, which aim to teach the moral lesson of the difficulty of finding real friends. In the *Public Advertiser*, December 29th 1779 we find the example of one

[41] *Ibid*., p.41.

[42] Anon., *Whole duty*, p.55.

tradesman who, while transporting goods from one place to the next, got his wagon stuck in boggy marshland. While the driver may have been inebriated, he notes that his so-called 'friends' who had pretended 'a violent friendship for me' did nothing to help. They even had a 'wicked Pleasure in seeing them in that Condition'. The author lambasts his these 'friends' in a long outburst ultimately wanting to 'let them stand in the Pillory, and shew their hypocritical Faces for some Hours to the Mob, and to have a Taste of rotten Eggs, and to have a Paper fixed to their Backs, with the Picture of Judas upon it'. A vexed tradesman indeed.[43]

The Chinese clan rule handbooks are cautious about friendship. These display the mainstream Confucian ideal. They contain a negative view and argue for being careful and discriminating when making and choosing friends. The handbooks contain lists of qualities which are desirable in friends, and even longer descriptions of what is not. The desirable qualities mirror the Confucian view of the beneficial nature of friendship, with learning, talent and superior knowledge all being valued. On the other hand, undesirable qualities included not only the obvious such as foolhardiness, treacherousness and dissoluteness, but the possession of power or wealth, being sharp in making a profit and being member of a secret society. Liu lists three desirable qualities versus nine undesirable qualities in her study of the clan rules, showing that caution was definitely required.[44]

[43] *Public Advertiser*, December 29th 1779.

[44] Liu, H-C W., *The traditional Chinese clan rules* (New York: J.J. Augustin, 1959), p.147.

Clan punishments were outlined for making bad friends, mirroring the approval needed for friends in the English handbooks. These ranged from castigation to, in serious cases of a member keeping dangerous company, the clan requesting the involvement of the government. Even when engaged in friendship there were limits, defining what is a proper or improper relationship with one's friends. Improper relationships included indulging in feasting, wine or recreation, joking and talking nonsense and being boastful.[45] These cautions are to be found too in the Chinese merchant handbooks, reflecting their origin as family rule books.

As in the English handbooks, the *Dianye xuzhi*, warned that one should not make friends indiscriminately. Many of the lessons are the same as those contained in the English handbooks. The first was to choose friends carefully. Many of the handbooks took the form of character training, as discussed in chapter 2 with reference to business relations, to spot the good from the bad through dress, speech and various other modes. This applies especially to the *Shanggu xingmi*. Friends were to be chosen who were of benefit to oneself and business. All others were to be discarded according to the manual There was the warning, as in the *Whole Duty* that friendship would only last as long as the interest would last and then fall away. It warned against making friends with those who are 'lively' for they were likely to be superficial friends.[46] The world of business was a risky one, and the manual warned that danger could come from the least expected quarters.

[45] *Ibid*., p.148.

[46] Yang, 'Dianye xuzhi', p.236.

Character training also provided a means in the Chinese handbooks of spotting those who could not be trusted as friends. The *Shanggu xingmi* goes into detail about the types of characters that one must be wary of. Personality could be deceptive. It used the analogy of fire and water to show that danger could lie in what appeared to be apparent safety. A 'firey' personality at least displayed what a person was thinking, whereas those calm, 'like water', could be far more dangerous because you did not know what they were plotting: a 'personality [that is] soft like the water will always kill you'.[47] Another trait warned against was sycophancy. A businessman had to be on his guard as 'if somebody says some good things about you, he is dangerous'. Manuals warned against those who were too eager to please, those who 'always laugh smile in front of you…and follow every idea you have. Beware this person must be evil'. Ultimately, there was the need not to take people at face value: 'when they smile and are kind to you, they hide something' referring to the phrase *xiao li xiang dao*. To hide a dagger behind a smile.[48]

In sum, the ideal expressed in both regions reflected classical ideals of friendship, which across the two were not dissimilar. They both pointed out that friendship had to be useful either in practical business terms or for moral development. The second part of this section has explored the caution that was advised in the making and maintaining of friendship, notably in the Chinese handbooks recognizing these cautions through character training. Both parts display the older ideals of friendship were still the ideal of the businessman. There is no evidence in either set of perfect or companionate friendship being advocated.

[47] Li, *Shanggu xingmi*, p.327.

[48] *Ibid*.

Family

The family in China and England in the seventeenth and eighteenth centuries was constructed quite differently. The family in England was based around the nuclear family, with 70 per cent of household consisting of parents and children, and possibly servants, and only 10 per cent including other relatives. The marriage age for both sexes was late, being in the mid to late twenties.[49] Reflecting this basic structure, two large debates have occurred on marriage and child rearing. The first considers the role of companionate marriage, and is strongly linked to debates on individualism. Stone has argued that marriage before 1660 or 1700 was largely based on economic and material factors. Love had little to do with it. Only after this period was there the gradual development of affective individualism and the associated companionate marriage. On the other hand, Macfarlane argues that this change had already occurred in 1400.[50] Another debate concerns the rearing of children. Philippe Ariès argued that children were treated distantly and coldly. On the other hand, Linda Pollock has argued that this was not so, by looking at sources beyond conduct books.[51]

In China on the other hand, the marriage age was much younger, usually soon after puberty. This had a dramatic effect on family structure and practice. The Chinese household often consisted of large extended families, with many generations under one

[49] Sharpe, J.A., *Early modern England: a social history* (London: Arnold, 1997), p.40.

[50] Stone, *Family*, pp.358-60; Macfarlane, *Individualism*, pp.196-8.

[51] Ariès, P., *Centuries of childhood: a social history of family life* (New York: Knopf, 1962), pp.411-5; Pollock, L.A., *Forgotten children: present-child relations from 1500 to 1900* (Cambridge: Cambridge University Press, 1983), pp.262-71.

roof, which was much easier to do with younger marriage ages. Key ideas in the Chinese family of this period included patrilineality, descent through the male line. This has a number of associated features which, according to Patricia Ebrey, include the use of patrilineal surnames, the need for a male heir to continue sacrifices and organization based on common patrilineal descent. Other features included filial piety, patriarchy and the place of ancestral rites.[52] In family household rules, many of these features are prevalent. An example of a list of household rules from the Li surname of Longhe, Dongcheng in Anhui, included 'Follow parents, Unite with brothers, Love kinsmen, Teach sons, Provide for marriage, Establish a household head, Repair the ancestral temple, Establish ritual fields, Preserve ancestral graves'.[53]

This section will examine what business advice literature had to say on the importance of the family for the businessman. This will look at the place of parents and children, husband and wives and broader relations.

[52] Chao, K., *Man and land in Chinese history: an economic analysis* (Stanford, California: Stanford University Press, 1986), pp.29-30; Ebrey, P., 'Women, marriage, and the family in Chinese history', in P. Ropp (ed.), *Heritage of China: contemporary perspectives on Chinese civilization* (California: University of California Press, 1990), pp.197-223; Lee, J.Z., and Feng, W., *One quarter of humanity: Malthusian mythology and Chinese realities, 1700-2000* (Cambridge [Mass.]: Harvard University Press, 2001), pp.124-8.

[53] Furth, C.,'The patriarch's legacy: household instructions and the transmission of orthodox values', in K-C. Liu (ed.), *Orthodoxy in late imperial China* (California: University of California Press, 1990), p.187.

Parents and children

In China, Confucianism stressed the centrality of the family. Family relations formed three of the five cardinal relations (the three being between children and parents, husband and wife and between older and younger siblings).[54] Confucius in *The Analects* argued for love with distinctions in society. It was the family that should come first. Natural family relations were stressed: 'one always loves one's family first and foremost'.[55] Within this, the virtue of filial piety was given great esteem. This was the duty to one's parents whether they were living or dead. When living, this would take the form of being obedient to the will of one's parents and providing for them in old age. In death, this extended to performing the necessary rites and sacrifices.[56] This would include, according to Confucius, a lengthy mourning period of at least three years after the death of a parent. The rationale was that parents had to spend at least the first three years of a child's life devoted totally to the child so it was only right that the child had to repay this once parents had passed on. Filial piety was reciprocal and in return for duty, parents had to act in a proper manner. It was permissible to be exempt from the ties of filial piety if a parent did not act as they should.[57]

In the period under discussion, filial piety held much sway. In *The Six Edicts* of the Shunzhi emperor (r.1644-1661) and *The Sacred Edict* of the Kangxi emperor (1661-

[54] Dawson, R., *Confucius* (Oxford: Oxford University Press, 1981), p.11.

[55] Liu, J., *An introduction to Chinese philosophy: from ancient philosophy to Chinese Buddhism* (Oxford: Blackwell Publishing, 2006), p.16.

[56] Dawson, *Confucius,* p.46

[57] Liu, *Chinese Philosophy*, pp.52-3.

1722) a number of collections of commandments listed filial piety as the first duty people should obey. In order to instill this into the population, district magistrates were supposed to give fortnightly lectures, using these commandments as texts.[58] The Chinese clan handbooks detail these familial relationships and what each would require in both attitude and material terms. Parent-child relations were conditioned by filial piety, justified in the handbooks as necessary to repay parents for bringing a child up, being fundamental in human nature, and equating parents to heaven and earth in the world of the child. This necessitated the material provision of supporting them and psychologically ensuring their happiness. Filial impiety could involve serious punishments, including being sent to the government to be tried. Nor was it one-sided. Parents had to be responsible to their children, and could default from filial piety if, for instance, they gave away their children.[59]

In *A song of caution*, contained within the *Shanggu xingmi*, the theme of being away from the family is emphasized, and so the importance of the family on the horizon of the businessman. Here, reference is made to the difficulty of having to leave one's children purely for the sake of profit where 'reducing the love for children in order to acquire wealth, this is tough'.[60] Another manual, the *Dianye xuzhi*, makes the point that the parents should be in the forefront of one's mind when traveling as the other side of the equation. This entailed being mindful of expense while traveling: 'When leaving home and going far away, you need to be careful with money to not easily waste and also to

[58] Dawson, *Confucius*, p.48.

[59] Liu, *Traditional Chinese clan rules*, pp.48-60.

[60] Li, *Shanggu xingmi*, p.302.

have your family in the forefront of your mind'. One should 'clothe and eat simply, and remember your parents'.[61]

In the *Dianye xuzhi*, we find that doing well in business was important as a way of bringing credit to one's family, and in particular, one's parents. Doing well in business was a way to be a dutiful son. This entailed, according to the manual, going out to trade and returning to get married in 7-8 years. Until then parental concern would continue: 'When bidding farewell to their children, parents will worry non-stop. It is difficult to give up them up, and hard to endure their absence'. This highlights the strength of the bond between children and their parents. Doing well in business would bring parents credit: 'If you do well as a businessman, parents will be glad and comforted….you will bring credit to your parents'. Doing well in business was therefore part of fulfilling one's obligations of filial piety: 'When going into business, you must not give up half-way through. This way you will avoid being a disgrace to your family. This is a dutiful son'. On the other hand, doing poorly would mean losing everything: 'If you do not study business well, you will go home in disgrace. You will not be able to go home. You will have nowhere to go. Your friends and clan will not bear to see you'.[62] Succeeding in business was thus linked to family honour.

In the *Shanggu xingmi*, the main aim of life was to be able to support the family, especially support from children, or even grandchildren to the parents. If one could not do that, then other 'achievements' were null and void. Earning money was a means, not an

[61] Yang, 'Dianye xuzhi', p.234.

[62] Yang, 'Dianye xuzhi', p.232.

ends: 'if a man cannot manage a family, he will not be successful. If he is not good at managing a family, no matter what other capacity he has, he is useless.' Manuals highlighted the businessman's material duty to the family and in particular to 'raise your parents'. Not being able to support the family would lead to disaster for the family line. The manual explains that this extends down to grandsons who needed to be taught this fact 'if grandsons do not have this ability…it will lead to disaster'. Not being able to support the family would lead to shame through having to make the women work, 'making the women of the family have no choice but to go outside and earn the money. People like this are useless'.[63] Supporting the family made the man, and failure to do so brought shame.

The manuals show that the ideal of filial piety was deep seated for the businessman, and it is found extensively within them. In the *Shishang leiyao* there are numerous references of the duties of children to their parents, the obligations that they must fulfill. Offspring had to support their parents, not disagree with them, submit to their authority and display typical Confucian filial characteristics:

> On family…you must be filial. When parents get old, you must act respectfully. When they are afraid, you must show no fear. When their strength is weak, you must support them. When they are hungry you must feed them. When they are cold you must provide them clothes of silk

These sentences highlight that material support was expected from the child to his parents. The passage continued:

[63] Li, *Shanggu xingmi*, p.305.

> you must be obedient. If you have a difference of opinion you must peacefully voice it. You must not create conflict, or you will make them angry. If your attitude is filial then peace will reign, if not then illness and death will strike. One who is filial is one who has a deep heart, and must have a peaceful attitude, have a joyful outlook, and have harmony. If so, how can there ever be conflict?[64]

Thus, obedience to parents, and the authority of the parent or elders was sacrosanct. This was easier to achieve when the extended family was living under one roof, and was composed of many generations, partly a result of a much lower marriage age.

The bond of filial piety and blood was far stronger than that of husband and wife. We find this in the *Song of the ten laments*, which discusses the ten things that could lead to a merchant's moral and financial ruin. Here, parents were seen to be never leaving children. This was unlike a wife, who once a husband ran into trouble, would probably leave: 'A parents' love is a river, always flowing. But a wife, if you cannot afford firewood or daily necessities, will leave you'.[65] The love, or responsibility of the parents to the children, their own blood, was unconditional.

This ideal of relying upon one's offspring is well expressed in the novel *Jin Ping Mei*. The main protagonist is a merchant named Ximen Qing. In one section a man, Chen Qingqi who has just married his daughter, helps him co-run his shop.[66] Ximen Qing depicts this as meeting an ideal of filial piety and duty: 'If you have a son, rely on your son; If you lack a son, rely on your son-in-law'. Here we can see the ideal of parents

[64] *Shishang leiyao* [Essentials for Gentlemen and Scholars] (1626), repr. in Yang, Z., *Mingdai yizhan kao* [Studies in the Ming postal relay system] (Shanghai, 1994), p.359.

[65] *Ibid*., p.365.

[66] Anon., *The plum in the golden vase or, chin p'ing mei, volume one: the gathering* [trans. David Tod Roy] (Princeton: Princeton University Press, 1993), p.421.

relying on their offspring, the children having to provide for one's parents. We find Chen Qingqi displaying his filial piety by stating his own devotion to his new parent-in-law: 'My obligations to you are so great, I can hardly repay them dead or alive. But I am still young and ignorant. My only hope is that you will both be patient with me. How could I presume to expect anything more?' Parents expected to be able to rely on their offspring.[67] Furthermore, Ximen Qing is delighted to find that his son-in-law is a diligent and competent worker. The passage ends with a happy Ximen Qing and his filial son, relying more and more on him in the business

> When Ximen Qing saw that he had a way with words and was intelligent and quick-witted, he was more pleased with him than ever. From that time on, he relied on him to handle all the correspondence that came in or out of the household, in matters great or small, in the form of letters, invitations, lists of presents and so forth. When guests came, he was always invited to help entertain them, and whenever Ximen Qing drank tea or ate a meal his company was felt to be indispensable. [68]

The son in law came to play a crucial role in the running of the family business.

A roughly comparable ideal of the family business can be found in the English story of Dick Whittington. Dick, leaving his home town, enters the family of a London merchant as a servant. In the process Dick sends off his cat on a voyage as his venture. The cat, though, nets him a massive return, since the ship hits a place overrun by mice. The result is that Dick is able to set up as a merchant and marries his master's daughter, properly entering the family. This also gave him access to a range of contacts and society he did

[67] *Ibid.*

[68] *Ibid.*

not possess before, helping his further ascendency to become Lord mayor of London three times.[69]

The importance of duty to parents is expressed in the English handbooks, though certainly not to the same degree as in the Chinese handbooks. Indeed it is rather weak in comparison. *The merchants avizo,* in a section of short tracts that a merchant should read notes: 'Love they parents: for they are the best friends thou shalt ever have'.[70] That is the only reference in the whole manual to the importance of family. Even in religiously inspired handbooks, comments on family are mere short glosses, reiterating the Christian ideal of honouring one's father and mother. In *The pious prentice* we find that gratitude had to be expressed to parents and that contact should be maintained through letters and visits if possible:

> take heed you requite them not with ingraititude and neglect of acknowledging their beneficence and good will towards to you. Give them no occasion to say that they have cast their fish into a dry poole, or sowne their seed upon the sand[71]

The *Apprentice's faithful monitor* (1700) noted that doing well would be a comfort to living parents: 'Your doing well will be their comfort as well as you own', and would serve the memory of parents lost: 'If they are gone, forget not what you owe to those'.[72] So a businessman had to be grateful to, and keep in contact with, his parents. These

[69] Robertson, J., 'The adventures of Dick Whittington and the social construction of Elizabethan London', in I.A. Gadd and P. Wallis (eds.), *Guilds, society and economy 1450-1800* (London: Centre for Metropolitan History, 2002) , pp.53-5.

[70] Browne, J., *The merchants avizo* (London, 1607), p.65.

[71] Jackson, A., *The pious prentice, or, the prentice's piety* (London, 1640), pp.92-4

[72] Anon., *The apprentice's faithful monitor* (London, 1700), p.2.

handbooks, however, do not go into the detail of the Chinese handbooks, nor is the ideal of the family so all-pervading.

Merchant handbooks contain advice on child rearing. The Chinese handbooks give rules on how to bring up children, and in particular their involvement in the family business. In the *Song of caution* we find that if a parent loved their children then they would give them less money to 'make them know that it is difficult to get money'.[73] Becoming accustomed to luxury would quickly lead to a depletion of funds.[74] Another instance of the responsibility of the parent to make the child economically aware was to teach the child the family business:

> if you do not teach the child the family business then he will become accustomed to luxury and extravagance. He will be arrogant and conceited. He will not know the difficultly of making money or wealth and will spend at will. He will not have the tradesman's heart [75]

Children had to be taught the value of money and the family business.

We find some of the same advice on child rearing in the English handbooks, in particular the need for frugality. Rigge in *A brief and serious warning* (1771) argued that children should not be brought up with great habits or with great wealth, otherwise they would be ruined from the off.[76] In *A Present*, Barnard argued the same and in more detail. Indeed,

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[73] Li, *Shanggu xingmi*, p.302.

[74] *Ibid.*, p. 303.

[75] *Ibid.*, p.289.

[76] Rigge, A., *A brief and serious warning to such as are engaged in commerce and trading* (London, 1771), p.5.

children had to be bred up not to be accustomed to expensive habits 'a viler race we hardly know'.[77] However, there were economic limitations in the relationship of parent and child. Under the heading 'father's caution' Barnard advised a Spartan attitude to raising children. It was the parent's duty to ensure that their children did not become too dependent. He had two warnings: not to spend much on their children and to keep hold of much of your own wealth so that the children do not need to support you: 'Do not weaken your Estate so far for their protection, as that it grow faint, and not able to hold out for your own subsistence', and 'So order your matters, that your children may ever know, that the branches bear not the root, but the root them'.[78] This is the opposite of the ideal contained within the Chinese handbooks.

Beside these lessons on wealth were many other lessons that parents had to teach children and a lot of aspects of their lives they were responsible for, according to the handbooks. Barnard outlined the exercises that parents had to ensure that their children had to take, as well as which school to send children, and even the choice of school master. Yet comparing the 1799 edition to the 1740 edition, we find the amount of space devoted to children decreased from 9 pages to only two. This shows a diminishing of the importance of the raising of children from the role of the tradesman.[79]

[77] Barnard, J., *A present for an apprentice: or, a sure guide to gain both esteem and estate* (London, 1740), p.78.

[78] *Ibid.*, p.79.

[79] Barnard, *A present* (London: 1740), pp.71-80; 1799 edition, pp.125-6.

In sum, the ideal of duty of parents and children was far stronger in the handbooks of China than England. We find that they dealt with this matter extensively, in terms of not only obedience to parents, but financial support and honour. A parent's love was held to be unconditional in the Chinese handbooks. We find a greater place given to the family, in terms of children and parents working in the same business, and in portraying the ideal of the family business. In contrast, this is not found in the English handbooks. On child rearing, the handbooks both raise the issue of raising children to be frugal, but the English handbooks take it further, and in fact end up displaying the opposite of the Chinese handbooks: Children should not support their parents.

Husbands and wives

Looking at relations of husband and wife, in both China and England there were warnings against the impulsive, ill-advised 'romantic' or spontaneous love that could threaten the tradesman and his business. Many of the English manuals warn against marrying when an apprentice. The *Apprentice's vade mecum* argues that an apprentice shall not 'commit fornication' or marry because of the numerous problems it would bring, including winding up with children 'while still a boy' and the inability later to marry more strategically to somebody with greater fortune and more noble background, which the tradesman might have done once he had made his fortune. There were economic costs to early marriage. He would jeopardise his own work, being forced to continue in the 'lowest part' of his profession while 'his innocent Children would be

involved in all the Misfortune of their imprudent parents' according to the *Vade mecum*.[80] Barnard, in *A present for an apprentice* lays out the consideration that before marrying one needed a suitable fortune, and not to make a 'show' about having a lot if the truth was otherwise,

> Whereby women of good estates, are not only brought to nothing; but made worse than nothing…if your endeavours be so blasted (which God forbid) that you must sink, you sink alone, rather than involve in your calamity the innocence of a Wife and Children, which should be of that dear regard to you [81]

Marrying before having made enough money could be devastating.

Defoe went into more graphic detail about the pitfalls of marrying too soon. The main problem for Defoe was the expense that marriage entailed. He argued that marriage regardless of whether the wife was frugal or not would impose great costs upon the tradesman: 'A married apprentice will always make a repented Tradesman'.[82] An apprentice would be driven to steal, lie and cheat: 'he is frequently driven to wrong his master, and rob his shop, or his till for money'.[83] He notes that those who argue that marrying early will make a tradesman more diligent and sober are misguided, it 'is a bad cure for an ill disease; it is ruining the young man's fortune to make him sober'.[84] He refers to the problem of not being able to get as good a 'portion' with a wife if he marries early, as in the *Vade mecum*.

[80] Anon., *Vade mecum*, pp.12-4.

[81] Barnard, *A present*, pp.52-3.

[82] Defoe, *Complete English tradesman: volume 1*, p.128.

[83] *Ibid*., p.128.

[84] *Ibid.*, p.130.

The costs of marriage, to Defoe, were many: 'when he brings home a wife, besides furnishing his house, he must have a formal housekeeping, even at the very first; and, as children come on, more servants, that is, maids or nurses, that are necessary as the bread he eats'.[85] He concludes the only way to sidestep such trouble is obvious: 'the true method to prevent all this, and never to let it come so far, is still, as I said before, not to marry too soon'. And the time of marriage should be set by economic factors: 'not to marry, till by a frugal industrious management of his trade in the beginning, he has laid a foundation for maintaining a wife, and bringing up a family'.[86] Material wealth should determine when to get married.

Should a courtship turn sour, Defoe wrote of the peril from scorned women. They were able to destroy the credit of a tradesman through the spread of rumour and scandal. Defoe recounted the revenge of one woman. Having courted a tradesman for sometime who then left her for another she set about spreading rumour that the tradesman's credit was bad, and that this was the reason for her leaving him rather than the other way around. This passage included a dialogue between networks of women which helped to spread this through the tea house. After telling a lady, or 'tool' as Defoe called her, she spreads the rumour around through tea gatherings, 'No bottom! why you surprise me; we always look'd upon him to be a man of substance, and that he was very well in the world' exclaims a surprised friend. Then discussion goes on to venture that he lost thousands and 'I don't doubt but we shall see him in the *Gazette* quickly for a bankrupt'.[87] Defoe noted

[85] *Ibid.*, p.132.

[86] *Ibid.*, p.145.

[87] *Ibid.*, pp.198-99.

'the first lady, provok'd at being cast off, and as she call'd it flight, rais'd all this clamour upon him, and persecuted him with it, where-ever she was able'.[88] Should a courtship fail, the tradesman had to be wary.

The English manuals show how a tradesman should select a wife once his fortune had been made. In *A present for an apprentice* we find the preconditions for a suitable marriage being laid out. Her name had to be like 'Christal' that is her family reputation had to be spotless with no trace of infamy or other blemishes which might be held against the tradesman. The wife had to be free of 'deformity and disease' for

> what a disagreeable sight is it to see a man's house stock'd with crook-backs, when the Children represent the distorted shoulder of their Mother…nothing should prevail on you to take such a one for a breeder, and leave your name running in the winding channel of a crooked deformity [89]

A 'good nature' was also a qualification, referring to a non-argumentative temper: 'For some persons are of that uneven temper, that they are not one whole day friends with themselves'.[90]

Economic reasons were important in selection of a wife. This can be seen in the value given to frugality in a wife: 'there is much in the natural neatness of some women, who are cut out, as it were, to make a fair shew with a little, and will appear very handsome in that which is but ordinary, and prove their gentility by their manner and behaviour'.[91]

[88] *Ibid.*, p.200.

[89] Barnard, *A present*, pp.53-4.

[90] *Ibid.*, p.54.

[91] *Ibid*., pp.55-6.

Another point is made in a later edition (1745) of *The compete English tradesman* which had been added to by others, not Defoe. A section was added describing noble families who had married the daughters of tradesmen in order to boost their fortunes. Again this is a case of strategic alliances to marry into higher social classes or with greater wealth rather than romantic love.[92]

The consideration given to property, as well as obligations to kin, over romantic love, is seen in the heartbreaking case of the British Levant merchant Philip Williams (1617-50). As Richard Grassby noted, this was a case where 'property and kinship proved more powerful than youthful infatuation'.[93] The young Philip, while still in England fell in love with a girl by the name of Elizabeth, as evidenced in his letterbook. At that time, however, he had not yet had enough money to provide a wife and so decided not to marry. He broke it off with Elizabeth. This was at the advice of his kin, and Philip would write to his brother William, that 'Sir, give me leave to tell you plainly that I never intended to take a wife without you and other friends' (especially my brother Richard's) approbation and consent'.[94] And so he went first to Turkey and then to Livorno in Italy for the rest of his life, plagued by his decision not to marry Elizabeth. By the time he had built up his fortune she had already been married and widowed, and despite a second attempt to win her back, Philip did not marry. Elizabeth died unmarried in 1705. Philip

[92] Defoe, *Complete English tradesman: volume I* (London, 1745), pp.298-315.

[93] Grassby, 'Love, property and kinship', p.350.

[94] *Ibid.*, p.348.

for his part, turned down the suggestions of marriage partners but forward by his brothers who were then trying to find him a wife, only to marry shortly before his death in 1650.[95]

There were obligations once married that the tradesman would have for his wife and the wife for the tradesman, hinting at an equal and more companionate marriage. In *A present* we find numerous obligations described, many of them mutual. There was to be economic equality where the manual argued that the man and wife had to be of 'one purse', that is sharing the wealth: 'The bed and the Purse being two things, wherein a mutual sharing breeds kindness and confidence; and they are seldom double, where there is not division'. Here, a common purse would promote frugality and help the family as a whole, whereas keeping it private would undermine it: 'a private purse inclines to a private design'. It would be fatal to the relationship. If you do not share they will go 'elsewhere' where 'For while you refuse to supply their expences on the scroe of kindness, they are induc'd to seek those that will'.[96]

There was also the personality of the husband and wife to be taken account of. In *A present*, 'a Husband ought to conform to the humour of the wife, so as may be most to her content'.[97] It was important to have someone to talk to and whose company one could enjoy:

[95] *Ibid.*, pp.347-8.

[96] Barnard, *A present*, p.63.

[97] *Ibid*., p.63.

> I have known some who entered into the married state with the greatest affection, promising themselves as much content…not after, being disappointed in their experience, and finding the Tavern and company sharing so deep in what they look'd for, they grew desperately discontented

To be left alone would drive away a wife 'and thinking it equal to require their neglect with the like, they soon found out those who would attend upon them with that courtship and complaisance which were wanting in their husbands. And verily who could think the thing unreasonable?' Barnard concluded by stating the importance of this compatibility of humour

> For by our nature, man is a sociable Creature, and especially the woman….they hate solitude, and can with no patience endure to be mew'd up till midnight, while you are carousing it at the Tavern; and you cannot think it a wonder, if at such a time they sport with your servants at home, when you are abroad; which you may judge not done with any ill-intention, but merely for amusement [98]

Partners had to enjoy one another's company.

Defoe wrote similarly of the duty of the tradesman husband to the wife, and the good of the family at large. This shows perhaps again an idea not found in the Chinese manuals, and a companionate marriage. He argued that the tradesman had to acquaint his wife with the running of the business so that in the event of his premature departure from this world, she could run the business until the children would be old enough to take it over. Given the high mortality rates of the period, this made sense as a way to reduce overall risk. He dismissed the reasons for not educating women in business as all being 'foolish'. Defoe depicted this through a story of a tradesman who suddenly died. However, his wife was able to carry on the trade, due to this training, rather than being forced to take with

[98] *Ibid.*, p.64.

one of the apprentices in order to run the shop. Another aspect of this, Defoe pointed out, this time directed at the wife was that they should not let pride get in the way of acquainting themselves with trade.[99]

As in England, romantic love was criticized in China. The clan handbooks list a whole series of considerations before marriage such as social status and the good name of the wife. During marriage obligations are outlined including the notorious 'three subordinations', which included the wife to the husband. Even once a woman was a widow there were still rules on proper conduct, especially the respect the clan should pay to chaste widows.[100]

We find that the Chinese merchant handbooks warn against sexual desire, 'romantic love' and being seduced by women. In the *Shanggu xingmi* there is the warning against women who will say anything to seduce a man, indeed her speech will 'have no shame'. The merchant will be in danger of indulging her, leading him to be 'negligent of his skill and to use up all his wealth' in the pursuit of this, which would probably easily turn out to be merely empty: 'a chaste woman can easily get a man, but you must always fear this will become false love'. The passage ends as many do with the note that a merchant must be cautious and guard against such false 'love' and desire. The title is 'an infatuated heart is of no benefit'.[101] This is explicit in its warning to control sexual desire.

[99] Defoe, *Complete English tradesman: vol. I*, pp.286-303.

[100] Liu, *Traditional Chinese clan rules*, pp.77-93.

[101] Li, *Shanggu xingmi*, p.274.

However, though the manuals warn against romantic love, emotion did have a part. The *Shanggu xingmi* contains two merchant songs which reflect this concern for staying with the family. In the song *The sadness of the merchant*, the life of the traveling merchant is presented as one only the hard-pressed would resort to, due to the social cost of being away from the family. In particular, the emphasis is upon the absence of the merchant from his wife and children:

> The merchant will flutter around, staying in strange places, feeling cold like ice, and having no rope to hold him down. He will wake in the middle of the night amid fear and nightmares, unable to turn to his family, knowing that his wife and children cannot claim his help.
>
> At night the merchant's wife waits for her husband to come home, yet the only thing to return out of the sun are the birds. She can only light the lamp and wait throughout the night for her husband to return, all the while her youth fading like the flowers [102]

This is not the companionate marriage hinted at in the English handbooks, but nonetheless, it shows a longing and affection between husband and wife.

In retrospect, both the handbooks in China and England advised against romantic marriage, and marrying without considering material cost. The Chinese handbooks warned of the danger of uncontrollable sexual desire. The English handbooks are more descriptive in the preconditions for marriage they set. One major point of divergence is in the ideal in England of an affective individualism, or a companionate marriage. This is found in the ideals on sharing between husband and wife. This could be economic, in the sharing of 'one purse' and as Defoe argued, teaching the wife the business, as well as the

[102] *Ibid*., pp.298-9.

importance of the 'humour' of the husband and wife. There is no evidence of this in the Chinese handbooks.

Broader relations

Broader relations of kinship were also dealt with by the handbooks. The first section deals with brothers and extended family, which is a topic dealt with exclusively by the Chinese handbooks. The next two sections deal with how the handbooks look at ancestors and apprentices as part of the 'household-family'.

The relationship between brothers necessitated obligation, according to Chinese clan rules. This was based on the argument for brotherly love, not only as good in itself, but with advantages such as guarding against the intrusion of outsiders who may swindle the family. This points to the importance of the family business once again, as kin ensure greater trust. Obligations between brothers can be seen by looking at what was defined as unbrotherly conduct, including disputing with brothers over family property, yielding to a wife's influence over that of a brother and beating an elder brother.[103]

These ideas are replicated in the handbooks. In the *Shishang leiyao* family duty among brothers is emphasized and is presented as the key to a 'happy life'. This section noted that regardless of the talents of your brothers you should uphold your duty to them: 'Brothers have the same personality and have the same parents. They must have mutual

[103] Liu, *Traditional Chinese clan rules,* pp.60-70.

love'. References to Mencius and famous historical figures reiterated the lesson that one should love one's brothers unconditionally, not taking into account their talent or intelligence.[104] Family love had to cut across levels of skill, unlike love for friends who had to be useful in some way. In the *Song of the ten laments*, 'Lament when the relationship between brothers is unfriendly'.[105]

Beyond brothers, the manual goes on to refer to the importance of the clan as a whole, and harmonious relations within the clan, emphasizing that they are all branches from the same root: 'In the clan, righteousness is the most important virtue. The branches of the clan, although they are far apart, are all from the same root. One must be kindhearted whether one's relatives are close or far'.[106] Similarly the merchant biographies contain many examples of support for clan members through buying temples, schools, giving food in times of need and providing graves.[107]

The importance of ancestors and family name was clear in both the business communities, though this had much greater importance in the East. The Confucian stance was that ancestors formed part of the family and should be given their dues. It was held that without one's ancestors one could have no sense of self.[108] In the *Shishang leiyao*, we find that respect for one's ancestors was paramount. In the *Song of the ten laments*,

[104] *Shishang leiyao*, p.359.

[105] *Ibid.*, p.365.

[106] *Ibid*., p.359.

[107] Wang, T. and Zhang, H. (eds.), *Ming Qing Huishang ziliao xubian* [Selected materials on the Ming-Qing Huizhou merchants] (Huangshan shushe, 1997), pp.305-7.

[108] Berthrong, *Confucianism*, p.142.

'people who grumble about their ancestors are selfish'.[109] Ancestors were important to one's current situation. If one's ancestors were good 'moral' people, then good fortune would accrue: 'The righteous will be flourishing. Their offspring through this righteousness will accumulate virtue and benefit. They can enter sagehood. This is really true'.[110] Ancestors were credited with current success and so deserved worship. We find this ideal of worshipping one's ancestors depicted in the merchant biographies, remembering that these biographies were depicting the ideal, according to the literati who wrote them. For example one merchant Gong Hui Chang, born during the Kangxi reign (1654-1722), was celebrated for having built an ancestral temple, noting 'Remember this my friends, you should respect your ancestors. The ancestral tomb is most important. To not be responsible for it is selfish, how can your heart not be ashamed?'[111]

We do find references to ancestry and family name in the West, though in a more subdued form. In the *Character and qualifications of an honest loyal merchant* (1686) the author emphasized that entering trade would not bring down one's family name, if one had already been a member of the gentry, or shame one's ancestors; trade would not sully one's 'scutcheon'.[112] However, this was more to do with an individual's immediate social status than any regard for one's ancestors or wider family, whose status was largely independent.

[109] *Shishang leiyao*, p.365.

[110] *Ibid*., p.363.

[111] Zhang and Wang., *Ming Qing Huishang*, p.305.

[112] Anon., *The character and qualifications of an honest loyal merchant* (London, 1686), pp.9-12.

Ralph Houlbrooke has argued that the changes embodied in the Protestant Reformation meant 'ritual support' for the ancestors and the deceased were heavily reduced by this period in England. Instead, the idea that nothing more could be done for the dead once they had passed away took hold.[113] This is reflected in the ideal funeral prepared for the businessman. In Barnard's *A present* the advice on burial was not to have a costly ceremony: 'be not concern'd in such contrivance, as may design a pompous Funeral'.[114] The ideal for the tradesman was to have a frugal funeral, with little ritual.

Houlbrooke has written that there was a concern that burial should match the status of the deceased. In many cases it was often felt that the burial was too frugal, that it did not meet the deceased's stature.[115] However, this was inverted in a humourous criticism of the preposterousness of lavish burial ceremonies for mere tradesmen. In *The Connoiseur* October 24th 1754 one commentator ridiculed overblown burials of those in the business community.

> As I was passing the other night through a narrow little lane in the skirts of the city, I was stopped by a grand procession of a hearse and three mourning-coaches drawn by six horses, accompanied with a great number of flambeaus and attendants in black…upon enquiry I was told, that the corpse (on whom all this expence had been lavished) was no other than Tom Taster the cheesemonger, who had lain in state all the week at his house in Thames-street [116]

[113] Houlbrooke, R., *Death, religion, and the family in England, 1480-1750* (Oxford: Oxford University Press, 1998), p.374.

[114] Barnard, *A present*, p.80

[115] Houlbrooke, *Death*, p.292.

[116] *The Connoisseur*, October 24 1754.

This reflected an underlying discomfort with businessmen seeking large and lavish funerals. This critique would have been unthinkable in the context of the Chinese businessman.

A final set of household relations discussed in business manuals is that of masters to servants. In England, servants often lived within the main household and were considered part of the 'household-family'. Defoe lamented the current moral situation of servants and apprentices in Britain as not being what it was. According to him the ideal of subordination had been critically weakened. This may show an increasing individualism as servants saw themselves no longer so strongly bound by 'family' ties. Defoe argued that the morals of servants had been corrupted in particular due to the changing nature of apprenticeship. This he put down to the current fashion for ever greater premiums being paid for apprenticeship, meaning that servants saw it as their right to be educated with the payment meaning that they could do whatever they wanted:

> it shews, that this sets up servants into a class of gentlemen above their masters, and above their business, and they neither have a sufficient regard to one or other; and consequently are the less fit to be trusted by the aster in the essential parts of his business, and this brings it down to the case in hand [117]

The master-servant relationship had changed to be less bound by obligation.

In the *Shanggu xingmi*, we find injunctions against the careless hiring of servants. The tradesman had to be on his guard against the negligent, and one way of doing this was to ensure that he checked the background of those he hired. Those with no background

[117] Defoe, *Complete English tradesman: vol. I*, p.159.

could easily form a danger to the tradesman's business, indeed the manual gave the slogan, 'no root, not safe'. This could also be interpreted as referring to family, where it would be preferable to have one with a 'root' or family connection, rather than the 'rootless'. This interpretation would tally with the ideal of the family business. It meant that in the event of theft the tradesman could ensure that the dubious servant would not get far since his reputation could be put around.[118]

Finally, one can see the concern for the family affecting business practice in the East, according to the manuals. This can be seen in three ways. Firstly, in the *Dianye xuzhi*, in the section on the practicalities of running a business, it was seen as compulsory that apprentices were given time off to visit their families. This extended to giving the apprentice a month or two off every year to return to their families.[119] Secondly, also in the *Dianye xuzhi*, was advice to keep money especially for the family which should be segregated from the main funds of the business.[120] Thirdly and finally, there was the tackling of business organization and the role of the family. The ideal, as laid out in the *Shanggu xingmi*, was to have members of the family in long-term positions so that they could build up their expertise.[121]

Looking at the broader relations dealt with in the handbooks, family played a much larger part in the Chinese handbooks. These dealt with obligations between brothers, and the

[118] Li, *Shanggu xingmi*, p.279.

[119] Yang, 'Dianye xuzhi', p.341.

[120] *Ibid.*, p.238.

[121] Li, *Shanggu xingmi*, p.289.

clan as a whole, exemplified in the actions that the Confucian literati writing the merchant biographies tended to emphasize. Family honour was common to both. However, in the Chinese handbooks, the rites governing the worship of the ancestors took a greater place, in particular in the emphasis on ancestral spaces. Turning to the 'household-family', a common idea in England, and looking at apprentices, often considered part of this we find that there is evidence of decreasing ties in this respect. This is based on Defoe's lamentation that servants had become less obligated than previously, resulting in bad behavior. In the Chinese handbooks, the ideal of the family business becomes clear, as well as the importance of the family, including giving apprentices large amounts of time off to attend to family matters.

Conclusion

To conclude, regarding friendship we find a number of similarities between the ideal advocated for the businessman in China and England. We find neither a peculiar individualism in ideals of perfect or companionate friendship, nor a peculiar mechanism of guanxi and obligation between friends in China. Rather the two regions shared key features concerning friendship. The first of these was that friendship had to be useful, either morally or in practical business terms. Secondly, we find that caution was to be exercised in choice of friends, and in both some handbooks advocated advice or vetting in choosing friends.

However, in looking at the family and the relationships of parents and children, husband and wife and individual and broader relations, there are real differences. These might be broken down into showing two strands running through all three areas. The first is that the ideal of familialism is clearly evident in the Chinese ideal of the businessman. A factor cutting through all discussion is the ideal of the family business. There is a heavy obligation between family members, through filial piety, between brothers and the wider clan, as well as to one's ancestors which does not find an equivalent in the ideal in the advice literature of England. Conversely, when looking at the English advice literature there is some evidence for affective individualism. This can be seen most clearly in marriage where the ideal of a companionate marriage is stated.

Conclusion

This study has filled a gap in the literature on global history and culture by undertaking a systematic comparison of business culture. The behaviour of businessmen is an important factor in economic theory, and business culture shapes that. This study has compared the business cultures of China and England in the period 1600-1800, a period of rapid commercialization in both regions, by analyzing the 'ideal' of the businessman, that is what was regarded as the socially acceptable behavior of the businessman. It has used the lens of business advice literature, focusing on business handbooks, which are a source common to both England and China in this period. These have been supplemented by other forms of business advice literature, some unique to the areas they are from, such as newspapers in England or gazetteers in China, or existing in different forms in both, such as novels, stories and plays. It must be remembered, though, that these are only representations of the ideal, and may have affected business practice to a greater of lesser degree. The findings can be broken down into noting what similarities have been found, and how this could be linked to eliminating stereotypes and myths, and what differences have been found, and examining their role in the Great Divergence debate.

So, firstly, what stereotypes have been questioned? Looking at attitudes to the market, the idea that businessmen in China were especially cautious has been questioned. Both literatures saw the market as a dangerous place, requiring caution to deal with. The idea that Chinese merchants were especially 'honorable' or 'moral' due to a unique Confucian code of righteousness, relying more on informal rules, and that formal law was more

readily resorted to in England, is not supported by looking at the ideals given. In both we find that honesty was depicted as a necessity. Not only for the pragmatic reason of ensuring repeat custom, but for other reasons, in particular both Confucianism and Christianity are appealed to as calling for the importance of honesty. And in both regions we find a reluctance to use the law. Far from a world of formal law enforcement, English businessmen were advised to take to law only as a last resort and that it was seen as the least dignified response to conflict.

Common stereotypes on different attitudes to wealth in China and England have been questioned. Thrift, which has been argued to have been a uniquely Western and perhaps English trait, was emphasized in both cultures through the advice for frugality and warning against excess. Reversing the stereotypes on wealth, we find that it was not only the Chinese businessmen who were held to have to be benevolent through charity, nor to have other goals in mind than wealth, as in the aims for 'otherworldly' rewards which was part of Weber's argument.[1] Charitable programs were part of the businessman's ideal in both, including many similar projects such as providing for the poor, orphans and widows, as well as education. Beyond this was the ideal of contentment in both. Neither side was advised to see the accumulation of wealth as an end in itself. Rather the idea of *zhizu*, or contentment, in the Chinese manuals, mirrored ideas in the English manuals.

Finally, examining advice on friendship, an important aspect of social relations in business, the advice in both China and England was surprisingly similar. We do not find

[1] Weber, M., *Max Weber: selections in translation* ed.W.G. Runciman [trans. E. Matthews] (Cambridge: Cambridge University Press, 1978), p.196.

a unique reliance on others through this social system in China, which might be implied in the ideas of guanxi. In both areas businessmen were advised to be careful in making friends, suspicious once in a friendship and ready to break it off when the costs of friendship rose to unacceptable levels. These features were present for all businessmen and question ideas on individualism being a distinctive English feature, argued by Alan MacFarlane to have helped explain the industrial revolution in England.

So thrift, informal and formal laws, charity and contentment and the suspicion of friends were shared between both, in often surprising ways. This challenges many of the stereotypes about English and Chinese businessmen.

However, there are differences in business culture which may have ramifications for the debate on the Great Divergence. In the English handbooks we find an anxiety about how the working of the market meant that the ideal of honesty might not be lived up to. The idea of honesty had become flexible. However, this change was justified as being a necessary part of commercial society. What was socially acceptable had altered. In addition we find the presence of the market entering into the concept of charity. Charity was held to be an ideal in both, yet in England charitable works encompassed economic charitable works, such as factories and ideas on helping the poor through the provision employment and making people productive in the market through charitable factories. This is not found in the business advice literature of China.

On the other hand, the Chinese handbooks show that a greater importance was attached to the value of the family. While the family was held to be of importance for both, this was much more acute in China. Here we find that it was greater in depth and breadth. For the Chinese businessman, ideas on filial piety and obedience to one's parents were much stronger and included ideas on business practice such as allowing apprentices time off to see their parents for months at a time. There was a wider spread to the family, including a large emphasis upon one's ancestors and brothers, which did not feature in the ideal of the English business advice literature. This might hint at this being an important factor in the Great Divergence. This is not to argue it was better or worse, indeed recent debate has argued that family and personal relations form an important part of subjective well-being, unlike concentrations on extrinsically important rewards such as wealth.[2]

Paul Slack has drawn parallels between the onset of commercialization in the early modern period and modern debates on the challenge of affluence, the challenges of increasing material progress and national wealth.[3] This study has found, in accord with Slack, that material progress in England was increasingly justified and that economic development necessitated a defence of changes in the ethical ideals of the businessman and that ideals of market and productivity found their way even into charity. However, the Chinese responded to increasing commercialization in a different way. Rather than

[2] Layard, R., *Happiness: lessons from a new science* (London: Penguin, 2005), p.63; Offer, A., *The challenge of affluence: self-control and well-being in the United States and Britain since 1950* (Oxford: Oxford University Press, 2006), pp.28-36; Thomas, K., *The ends of life: roads to fulflment in early modern England* (Oxford: Oxford University Press, 2009), p.187.

[3] Slack, P., 'Material progress and the challenge of affluence in seventeenth-century England', *Economic History Review*. 62:3, (2009), pp.576-603.; Offer, *Challenge of affluence*, pp.1-11.

the defence of material progress we find in England, the Chinese business community laid stress upon the importance of the family and social structure. These values are ones now held to be more intrinsically important, an alternative to a focus on material wealth, showing a different emphasis in economic priorities.[4]

[4] Bronk, R., *The romantic economist: imagination in economics* (Cambridge: Cambridge University Press, 2009), pp.172-95.

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