

**Primary Source Document, with Questions (DBQ) on  
MEMORIAL ON THE CROP LOANS MEASURE, BY WANG ANSHI**

**Complete Document**

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**Memorial on the Crop Loans Measure  
By Wang Anshi**

In the second year of Xining (1069), the Commission to Coordinate Fiscal Administration presented a memorial as follows:

The cash and grain stored in the Ever-Normal and the Liberal-Charity granaries of the various circuits, counting roughly in strings of cash and bushels of grain, amount to more than 15 million. Their collection and distribution are not handled properly, however, and therefore we do not derive full benefit from them. Now we propose that the present amount of grain in storage should be sold at a price lower than the market price when the latter is high and that when the market price is low, the grain in the market should be purchased at a rate higher than the market price. We also propose that our reserves be made interchangeable with the proceeds of the land tax and the cash and grain held by the fiscal intendants, so that conversion of cash and grain may be permitted whenever convenient.

With the cash at hand, we propose to follow the example set by the crop loan system in Shaanxi province. Farmers desirous of borrowing money before the harvest should be granted loans, to be repaid at the same time as they pay their tax, half with the summer payment and half with the autumn payment.<sup>3</sup> They are free to repay either in kind or in cash, should they prefer to do so if the price of grain is high at the time of repayment. In the event that disaster strikes, they should be allowed to defer payment until the date when the next harvest payment would be due. In this way not only would we be prepared to meet the distress of famine but since the people would receive loans from the government, it would be impossible for the monopolistic houses<sup>4</sup> to exploit the gap between harvests by charging interest at twice the normal rate.

Under the system of Ever-Normal and Liberal-Charity Granaries, it has been the practice to keep the grain in storage and sell it only when the harvest is poor and the price of grain is high. Those who benefit from this are only the idle people in the cities.

Now we propose to survey the situation in regard to surpluses and shortages in each circuit as a whole, to sell when grain is dear and buy when it is cheap, in order to increase the accumulation in government storage and to stabilize the prices of commodities. This will make it possible for the farmers to go ahead with their work at the proper season, while the monopolists will no longer be able to take advantage of their temporary stringency. All this is

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<sup>3</sup> See footnote 1, above.

<sup>4</sup> See footnote 2, above.

proposed in the interests of the people, and the government derives no advantage therefrom. Moreover, it accords with the idea of the ancient kings, who bestowed blessings upon all impartially and promoted whatever was of benefit by way of encouraging the cultivation and accumulation of grain.

This proposal was adopted by the emperor and put into effect first in the limited areas of Hebei, Jingtong, and Huainan, as suggested by the Commission to Coordinate Fiscal Administration. The results obtained were later considered to justify extension of the system to other areas.