

Lijin and Traditional Government-Business Interest Structure in Late Qing Taiwan (1857-1886)

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ABSTRACT

This article examines how internal tariff *lijin* implemented in late Qing Taiwan affected the traditional government-business interest structure. The prevailing practice of local governments in Taiwan was to generate revenues through official rent, interest from investment fund, and monopolistic sale of camphor. Together with dues collected from commercial guilds *jiao*, these revenues financed the public expenditures, fostering fiscal stability and maintaining social order. With the outbreak of Taiping Rebellion in the 1850s, *lijin* was introduced for extra revenue; yet, it jeopardized the then existing government-business interest structure. Moreover, protests from merchants resulted in low *lijin* imposed, undermining its effectiveness in generating revenue. Following the Dai Chaochun Incident, extra source of funds was needed more military expenses. Hence, *lijin* was again promoted. To enhance its revenue-generating efficacy, cooperation from local gentries, merchants and guilds was a must. Negotiation was made and brokerage was paid. Nevertheless, the merchants remained dissatisfied and evasion was rampant. To root out the problem, the government decided to contract the collection of *lijin* to merchant groups and made *lijin* a part of the government-business interest structure so as to turn it into a constant source of revenue. Despite of such measures, this taxation system remained ineffective with evasion and fake accounting under the collusion of the merchants. Attempts from Governor Liu Mingchuan in reforming the *lijin* system failed, showing that even as part of the government-business interest structure, it had never been controlled by the state power.

Keywords: Lijin (Likin), Government-Business Interest Structure, Opium, Dai Chaochun Incident, Treaty Port System