

THE CASE AGAINST ASIAN AUTHORITARIANISM: A
LIBERTARIAN READING OF LIU E'S *THE TRAVELS OF*
LAOCAN

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The chessboard is broken. We are getting old. How can we not weep? I know that within the four seas and among the world there are many bright-colored and beautiful flowers, some of which will surely weep with me and be sad with me!¹

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¹ From Liu E's 劉鶚 preface to *The Travels of Laocan* (*Laocan youji* 老殘遊記). For the most part, I follow Harold Shadick's exemplary translation with some emendations of my own based on the original Chinese text. For this preface see Liu E, *The Travels of Lao Ts'an*, trans. Harold Shadick (Ithaca: Cornell University Press, 1952), 2. There is a more recent English translation published in Beijing by Yang Xianyi and Gladys Yang, *The Travels of Lao Can* (Beijing: Panda Books, 1983), which I recommend the reader to refrain from using. This translation has been largely censored, with chapters 9, 10, 11, 16, 18, 19 and part of chapter 20 removed using the excuse that they "have been altered by the editor when the book was first published" and "concern a murder story in which there is a large supernatural element, again quite alien to the realism of the first part of the book" (8-9). This is blatantly false: the censored chapters deal in fact with the philosophical and religious views of the author, which opposed government intervention and officialdom. The so-called "interpolations" were in fact two: the first one occurs in chapter 8, which

I. Introduction

IN AN ARTICLE PUBLISHED shortly before the return of Hong Kong to Chinese sovereignty, Edward Friedman reflected on the perils of accepting “the notion that Asian Authoritarianism is the unique source of economic success and communalist harmony” in the Far East.² The legitimization of Asian values as a source for Asian authoritarianism has become an important mechanism for those who dismiss freedom in all its forms and advocate government interventionism and liberticidal policies. However, Asian cultures and Eastern philosophies also offer a rich tradition of thought focusing on ideas such as minarchism, private entrepreneurship, and armed resistance to authority, corrupted officials, and governments. The present paper offers a libertarian reading of one of the most important Chinese novels of the twentieth century, *The Travels of Laocan*, written between 1903 and 1906 by a Chinese entrepreneur named Liu E. We start with an exposition of the ideas associated with the concept of “Asian values,” the evident cultural unviability of this notion, and how Asian authoritarianism has been rationalized and justified on the basis of a Hobbesian conception of human nature. Next, we examine Liu E’s life and his career as an entrepreneur in a highly interventionist society. Finally, we focus on his opus magnum, *The Travels of Laocan*, a fictionalized autobiography that records his philosophical and libertarian ideas.

has not been removed from this translation, and involves a single word, “fox” (*hu* 狐), which was misprinted as “tiger” (*hu* 虎), probably because they are homophones. Also, chapter 11 was removed—not interpolated—and then misappropriated by a fellow editor, who used it in his own work. Likewise, the murder case in the final chapters does not involve any supernatural element, but an herb that causes catalepsy. There are also an alarming number of abridgements and omissions, including the author’s preface quoted above, and the conclusion of the story has been rewritten in order to adjust it to these changes. Besides these issues, Yang’s introduction also makes a series of bold statements about the author who, due to “the limitations of his age and class” (!), “supported feudalism and opposed the bourgeois democratic revolution and Yi He Tuan’s [the Boxers] struggles against imperialist aggression” (9). In Maoist thought, the Confucian tradition is often and wrongly called “feudalism,” while the period between 1840 and 1940 was referred to as “bourgeois democratic revolution” (a Leninist category now replaced by the “one hundred years of national humiliation”). The Boxer Rebellion or Yi He Tuan is still seen as a struggle against imperialism, despite the fact that it also targeted Chinese businesses, schools, and individuals who favored openness as against nationalistic isolation.

² Edward Friedman, “What Globalizing Asia Will or Won’t Stand For: Human Rights and Democracy,” *Asian Thought and Society* 22 (1997): 95.

II. Asian Authoritarianism or Asian Libertarianism?

The concept of “Asian values” acquired its popularity among Asian politicians in the 1990s, when Singapore’s prime minister Lee Kuan Yew and Malaysia’s prime minister Mahathir bin Mohamad spoke of “a Confucian-flavored Asian identity compatible but different from that of the West,” and criticized Western claims to universal values as a form of cultural or ethical imperialism.³ Although the validity of the “Asian values” was questioned after the 1997 Asian financial crisis, the concept has since regained popularity. This is partly due to the growing impact of Asian economies and the presence of authoritarian regimes such as the People’s Republic of China in foreign policy and international trade, but also to the increasing influence of state-sponsored organizations such as Confucius Institutes in non-Chinese academic institutions.⁴ These institutes and the scholars related to them advocate—either actively or passively—an indigenous model of development based on the traditional values of these societies, which are still often identified with Confucianism or, as one scholar has put it recently, “left

³ Ellen L. Frost, *Asia’s New Regionalism* (Singapore: National University of Singapore Press, 2008), 84. Cf. also Mahathir ibn Mohammad and Ishihara Shintarō, “No” to *ieru Ajia* 「No」と言えるアジア [*The Asia That Says ‘No’*] (Tokyo: Kōbunsha, 1994), where both authors call for a Kantian emergence from the Asian nonage based on their “superior intelligence” (*sugureta chiteki nōryōku*). This idea can be traced back to the Japanese intellectual Okakura Kakuzō 岡倉覚三 (1863-1913), who once said “Asia is One,” and spoke of the “Asiatic ideals” and the “Asiatic consciousness” that survived solely in Japan: “It has been, however, the great privilege of Japan to realize this unity-in-complexity with a special clearness... The unique blessing of unbroken sovereignty, the proud self-reliance of an unconquered race, and the insular isolation which protected ancestral ideas and instincts at the cost of expansion, made Japan the real repository of the trust of Asiatic thought and culture” (in Okakura Kakuzō, *The Ideals of the East* [New York: Dutton, 1904], 5). As has been shown by Masako N. Racel, Japanese imperialism and its expansion during the Second World War were rooted in the ideas of (Japanese) Asian values. This makes the concept of “Asian values” indistinguishable from and akin to the Western “imperialism” it is supposed to criticize. See Masako N. Racel, *Finding Their Place in the World: Meiji Intellectuals and the Japanese Construction of an East-West Binary, 1868-1912* (PhD dissertation, Georgia State University, 2011, 17 and 198-237).

⁴ For a criticism of recent trends in Chinese Studies, see Jay Nordlinger, “Scholars with a SPINE, Notes from the Field of China Studies,” *National Review* 64, 16 (August 27, 2012): 33-35. The Confucius Institutes’ strategy to advance the political agenda of the PRC, using “teaching Chinese language” under “the ‘Confucius’ brand” as an excuse, is exposed in Marshall Sahlins, *Confucius Institutes: Academic Malware* (Chicago: University of Chicago Press, 2015).

Confucianism.”⁵ According to the proponents of this idea, there are two different models of liberty: a Western model centered on individualism (or the private sphere), democracy, and human rights, and an Asian model identified with the community (or the public sphere), authority, and repression, which are behind the rapid development of Asian “Tigerism.”⁶

It is, however, very difficult if not impossible to provide a coherent description of what these “Asian values” consist of.⁷ For instance, Hong Kong, Taiwan, and Singapore share Confucian-related values, but they also have important Buddhist and Daoist communities, which are anything but monolithic; Japan also has Confucian and Buddhist influence, but is predominantly Shintoist; South Korea combines Buddhism, Protestantism, and Shamanism; the People’s Republic of China is nominally atheist, but there are important Buddhist and Christian groups; India, where Buddhism originated, is now mainly Hindu, while Thailand is Buddhist and Indonesia is mainly a Muslim country. The PRC, Hong Kong, Taiwan, and even Singapore share some linguistic heritage through the Sino-Tibetan family of languages, but the Japanese and Korean languages belong to the Altaic language family, and the words spoken in Vietnam, Laos, Thailand, or the Philippines are mutually unintelligible. Politically, Hong Kong enjoys economic freedom and freedom of speech, association, and religion;

⁵ For the term, see Daniel A. Bell, *China’s New Confucianism: Politics and Everyday Life in a Changing Society* (Princeton: Princeton University Press, 2008), who uses it extensively. A diametrically opposed vision was proposed by Wm. Theodore de Bary in *Asian Values and Human Rights: A Confucian Communitarian Perspective* (Cambridge: Harvard University Press, 1998), and by him and Tu Wei-ming in *Confucianism and Human Rights* (New York: Columbia University Press, 1998).

⁶ This belief is criticized in Chris Patten, *East and West* (London: Pan Books, 1999), 146-72, and Bruno Leoni, “Two Views of Liberty, Occidental and Oriental (?)” *Libertarian Papers* 1, 15 (2009): 1-25. Cf. also Frédéric Bastiat, *Harmonies of Political Economy*, from the translation in Frédéric Bastiat, *The Bastiat Collection* (Auburn: Ludwig von Mises Institute, 2007), 4: “But Liberty assumes only one shape.”

⁷ Amartya Sen, “Democracy as a Universal Value,” *Journal of Democracy* 10, 3 (1999): 13-16. It should be also pointed out, as outlined by Tu Wei-ming, that “the claim that Confucian ethics, as reflected in government leadership, competitive education, a disciplined work force, principles of equality and self-reliance, and self-cultivation, provides a necessary background and powerful motivating force for the rise of industrial East Asia’ has yet to be sustained,” as has “Max Weber’s classic study of the interaction [and correlation] between ethicoreligious values and economic behavior.” See Tu Wei-ming, ed., *Confucian Traditions in East Asian Modernity: Moral Education and Economic Culture in Japan and the Four Mini-Dragons* (Cambridge: Harvard University Press, 1996), x, and 2-3.

Singapore is a parliamentary representative democracy, but also an “enlightened dictatorship”; and Japan is a constitutional monarchy that claims direct descent from the sun-goddess Amaterasu. South Korea is a democratic republic, Thailand a military monarchy, and the PRC a communist dictatorship. Ethnically, differences are bigger—there is even racial prejudice between China, Japan, and Korea, and many Hongkongers and Taiwanese do not consider themselves Chinese. As Chris Patten, the last governor of Hong Kong, famously said:

I do not believe that life has written different laws for the Chinese, that the customary interactions of politics, economics and social change are somehow reordered when they apply to China. Decency is decent everywhere; honesty is true; courage is brave; wickedness is evil... No alleged national tradition or cultural standards can make right in one place what is wrong in every place.⁸

It seems that the so-called “Asian values” are invoked simply to support authoritarianism under the pretext that Asian societies are somehow different in nature—a pretext often used by those in power or by those who benefit from it. But what kind of human nature would justify a repressive regime, an authoritarian government, or a disregard for human rights and freedom of speech? The answer that seems to be hiding behind these “Asian values,” based on the exceptionality of “Tigerism,” is the Hobbesian belief that men are fundamentally evil, essentially not self-sufficient, and that rulers must have near-absolute power to secure order.⁹ Of course, socialism endorses this grossly erroneous conception of human nature whereby the state exerts violence on the egoistic individual in the name of the “common good.” It is not by chance, then, that, at least as early as 1958, Mao started to identify himself with the first emperor of Qin (r. 221-210 BC),¹⁰ whose system of governance was highly influenced by a philosophical system similar to that of Thomas Hobbes: the legalist school of thought. The centralized state machinery of the legalistic state of Qin “exert[ed] continuing and far reaching effects on the political and social development of China,”¹¹ from

⁸ Patten, 139-40 and 161.

⁹ The relation between Hobbesianism and the politics of the People’s Republic of China has also been pointed out in Ainan Liu, “Hobbes and Modern China: A Comparative Study,” *Duke East Asian Nexus* 3, 2.2 (2013): 43-52.

¹⁰ Grant Hardy and Anne Behnke Kinney, *The Establishment of the Han Empire and Imperial China* (London: Greenwood Press: 2005), 102-3.

¹¹ Zhengyuan Fu, *China’s Legalists: The Earliest Totalitarians and Their Art of Ruling* (Armonk, NY: M.E. Sharpe, 1996), 127. For the relation between Marxism and the promotion of legalism by Mao Zedong, see *ibid.*, 127-36.

antiquity to modern times. For instance, when Lu Chuan, director of the Chinese drama about the Nanking Massacre *City of Life and Death* (2009), tried to explain the reasons behind war crimes, he stated:

To kill ruthlessly in a war, to callously take a woman's chastity, this is very possibly something that is in every man's heart. It's just that you do not have a circumstance for you to let it out... because there was not law to limit them, and they could kill as many as they wanted, rob as much as they wanted.¹²

Likewise, Hong Kong celebrity Jackie Chan has declared many times that he is "gradually beginning to feel that we Chinese need to be controlled. If we are not being controlled, we'll just do what we want."¹³

However, those willing to employ Confucianism to justify absolute power and unswerving obedience to the state must ignore a large number of passages from Confucius's *Analects* as well as other major works that anticipate some libertarian ideas regarding personal freedom, spontaneous order, reduction of the size of government, and rebellion against an authoritarian state.¹⁴ There was, of course, no Confucian philosopher or author consistently libertarian in all areas of his work and personal life. However, as Confucius said, "in strolling in the company of just two other persons, I am bound to find a teacher. Identifying their strengths, I follow them, and identifying their weaknesses, I reform myself accordingly."¹⁵ From the founders of Confucianism, Confucius and Mencius, up to modern thinkers and writers who championed more or less libertarian ideals, such as

¹² This quote is taken from an interview on Radio Television Hong Kong's program *The Works*, "Lu Chuan Talks about *City of Life and Death*," May 5, 2008, available at www.youtube.com/watch?v=B9_TJue5AhI (accessed December 7, 2015).

¹³ Malcolm Moore, "Jackie Chan Says Chinese People Need to Be 'Controlled,'" *Telegraph*, April 19, 2009, available at <http://www.telegraph.co.uk/news/worldnews/asia/china/5182114/Jackie-Chan-says-Chinese-people-need-to-be-controlled.html> (accessed December 7, 2015).

¹⁴ This topic has been excellently addressed by Roderick T. Long, "Austro-Libertarian Themes in Early Confucianism," *Journal of Libertarian Studies* 17, 3 (2003): 35-62. Cf. Patten, 164. Confucianism emphasizes authority, not authoritarianism, but it also advocates that loyalty without remonstrance (*zheng* 爭) against the ruler is not real loyalty. See Henry Rosemont Jr. and Roger T. Ames, *The Chinese Classic of Family Reverence* (Honolulu: University of Hawai'i Press, 2009), 113-14.

¹⁵ Confucius, *Analects*, 7.22. For the translation, see Roger T. Ames and Henry Rosemont Jr., *The Analects of Confucius* (New York: Random House, 1998), 116.

Liu E (1857-1909) or Lin Shu (1852-1924),¹⁶ all Confucian philosophers and authors have shared the idea that the problems they observed in society were the result of a lack of freedom, excessive taxation, repressive authority, and the proliferation of public servants and government bureaucrats—whereas the contrary was never true. Liu E, author of *The Travels of Laoacan*, was one of these truly revolutionary figures who, despite his literary contributions and talents as an entrepreneur, has received little attention in the West.¹⁷

III. Liu E, the Forgotten Chinese Entrepreneur

Liu E, also known as Liu Tiejun 劉鐵雲, was born in 1857 at Liuhe 六合 county in what is today Nanjing 南京. Like many other good students, he was expected to take an official post, but he refused to undergo the imperial examination, which required candidates to write an “eight-legged” essay—an essay divided in eight parts based on a rigid structure and allusions to the

¹⁶ Lin Shu 林紓 (1852-1924) was a Chinese translator and contemporary of Liu E who advocated women’s education, freedom of marriage, and common human values. He also criticized the role of the state in higher education and the “New Culture Movement,” for which he was ostracized in 1919 following the publication of an open letter against the chancellor of Beijing University. For the polemic, see Michael Gibbs Hill, *Lin Shu, Inc.: Translation and the Making of Modern Chinese Culture* (Oxford: Oxford University Press, 2013), 219-21.

¹⁷ The reasons for this exclusion are similar to those in the case of Lin Shu, but were probably more politically motivated. Liu E, along with many others, was considered by the “New Culture Movement” or May Fourth Movement a traditionalist who advocated feudal values and who “did not really have any bright ideas.” The May Fourth Movement was a political and intellectual youth movement led by Chen Duxiu 陳獨秀 (1879-1942), founder of the Chinese Communist Party. Its adherents called themselves the “New Culture Movement” and advocated the introduction of Western values and the total elimination of Chinese traditional culture, from language to literature (the “traditionalists” believed, however, that tradition and modernity were not opposites but complementary). After 1919, dissatisfied with the Treaty of Versailles and seduced by Russian anti-Western propaganda, the movement became even more radical, turning to Bolshevism and attacking Western capitalist values. As a result, Chen Duxiu founded the Chinese Communist Party. For Liu E and the May Fourth Movement, see Huang Kaifa 黃開發, *Wenxue zhi yong: Cong qimeng dao geming 文學之用: 從啟蒙到革命 [Uses of Literature: From Enlightenment to Revolution]* (Taipei: Xiuwei zizun keji chubun, 2007), 125. For the relation between the Treaty of Versailles, the May Fourth Movement, and the foundation of the Chinese Communist Party, see Bruce A. Elleman, *Wilson and China: A Revised History of the Shandong Question* (London: M.E. Sharpe, 2002), 135-54.

Confucian Classics. Instead, he mastered Song Neo-Confucianism¹⁸ with his father and engaged in discussions on science, economics, mathematics, and even boxing with a group of like-minded friends. In 1882 he joined the Great Valley (*Taigu* 太谷) school, a syncretic order that combined Confucianism, Buddhism, and Daoism in a single and unified doctrine. Liu E's conversion to Taiguism also resulted in a strong criticism of some aspects of Song Neo-Confucianism, especially its intolerance to new ideas and other beliefs.¹⁹ Liu's views on religion and philosophy are developed in chapters 9 to 11 of his *Travels*, and although they are only slightly relevant to our discussion, there is an interesting analogy between markets and religion worth quoting, for it shows the significance of economy in his conception of the world:

The three schools—Confucianism, Buddhism, Taoism—are like the signboards hung outside three shops. In reality they are all sellers of mixed provisions; they all sell fuel, rice, oil, salt. But the shop belonging to the Confucian family is bigger; the Buddhist and Taoist shops are smaller. There is nothing they don't stock in all the shops.²⁰

¹⁸ Song Neo-Confucianism refers to the interpretative school of Cheng Yi 程頤 (1033-1107) and Zhu Xi 朱熹 (1130-1200) that flourished during the Song Dynasty (960-1279). Neo-Confucians were highly influenced by Buddhism, and believed that human nature is originally good but, because it is a combination of *li* 理 (pure principle) and *qi* 氣 (matter), good human action through the “investigation of things” (*gewu* 格物) is needed to purify it. Today, mainland courses on Chinese philosophy criticize Zhu Xi's thought for this anti-Hobbesian idea. For the biographical data see, in English, Shadick, ix-xx.

¹⁹ There are two important studies on the philosophy of *The Travels of Laocan*, both in German: Hans Kühner, *Die Lehren und die Entwicklung de “Taigu-Schule”* (Wiesbaden: Harrassowitz Verlag, 1996), 110-258; Samuel Burkhard, *Daoistische Elemente Im Roman “Die Reisen Des Lao Can” Von Liu E* (Munich: Grin Verlag, 2015), 8-10. There is also a study in English, Han Bingfang, “The Taigu School (太古学派) and the Yellow Cliff Teaching (黄崖教): Another Case of Transformation from Confucian Academic Group to Religious Sect,” in Ma Xisha and Meng Huiying, eds., *Popular Religion and Shamanism* (Boston: Brill, 2011), 207-54. This essay, however, contains an important number of inaccuracies and mistakes that make it unreliable, such as the name of the Taigu School, which is continuously written with the character for “old” (*gu* 古) instead of “valley” (*gu* 谷).

²⁰ Shadick, 97-98. Liu E was not very tolerant toward foreign religions because of the frequent fights between them. “Islam, for instance,” he writes, “when it says that blood shed in a religious war shines like a rosy-red precious stone, cheats man to the extreme!” (Shadick, 99).

Although Liu E's unitary Neo-Confucianism was based on "disinterest" (*haogong* 好公, literally "favor the common good") as opposed to "personal advantage" (*yingsi* 營私),²¹ he nevertheless dedicated all his life to private entrepreneurship, despite his multiple failures. Liu E's doctrine of the common good was based on the Confucian idea that to achieve a good government it is necessary to regulate the family and, to do so, one should first cultivate oneself.²² On the other hand, *yingsi* did not merely mean "personal advantage," but it was usually employed by Neo-Confucians to denote a group of people harming the common good through illicit appropriation of property.²³ As has been noted by many libertarians, there is nothing inherently incompatible between individualism and the common good, since the former promotes the latter spontaneously.²⁴ Liu E believed that entrepreneurship was not at odds with Confucianism, and, just like Confucius and Mencius before him, he soon became disenchanted with political life and pursued his entrepreneurial spirit by engaging in the private sector.²⁵ Among his many ventures, he opened a tobacco shop in 1884 in Huaiyin 淮陰, though this business failed when the accountant mismanaged the funds and committed suicide. He then moved south to Yangzhou 揚州 the next year, where he briefly worked as a doctor, and finally, he established a lithographic printing press in Shanghai, which went bankrupt after a long lawsuit brought against him when some of his relatives sold copies in his name of a book he had printed for another company.

²¹ Shadick, 98, where it is translated as "private advantage."

²² See James Legge, *The Confucian Classics, I* (Hong Kong: Hong Kong University Press, 1960), 359. This idea appears in the *Daxue* 大學 or *Great Learning*, one of the most important Confucian texts in Song Neo-Confucianism, and it is similar to Bastiat's "law of Solidarity."

²³ Shu Jingnan 束景南, *Zhu Xi nianpu changbian* 朱熹年譜長編 [*A Biography of Zhu Xi*] (Shanghai: Huadong shifan daxue chubanshe, 2001), volume 2, 21: "The prime ministers gang up together for personal advantage, failing to comply with their mission." Cf. Bastiat's conception of spoliation as an organized activity erected into the system, in *Harmonies of Political Economy*, from the quoted translation in *The Bastiat Collection*, 230.

²⁴ Bastiat, 232 and 560-62.

²⁵ Confucius left his native state of Lu 魯 to find a good ruler who would put his ideas into practice, and, unable to find one, decided to engage in the battle of ideas. Mencius, the second-most-important Confucian philosopher, served as minister of the state of Qi 齊 for some time, but he became disappointed and followed Confucius's steps by dedicating himself to teaching and advancing Confucian thought among the people.

At the time of the bankruptcy, the Yellow River burst and Liu E decided to offer his services to the director of the Yellow River Conservancy project, who was a friend of his father. Liu had observed the disastrous results of government policies regarding flood control, which were based on the idea that the best way to avoid flooding was to expand the river's bed so there would be more space between the dikes on either side of the river.²⁶ After long study, he concluded broadening the river would aggravate the problem because deposits would form in the riverbed and the flood process would repeat itself year after year. The best solution, in his view, was to make the river narrower and deeper to prevent the silt from forming deposits. However, this proposal was viewed with suspicion by many functionaries in charge of the operations who, promptly paid year after year for their useless flood reforms, harbored hatred against Liu for a very long time.²⁷

But Liu's final disenchantment came in 1894 when he was recommended to the Foreign Office in Beijing by one of his acquaintances. He was persuaded by the idea that China could only prosper through trade and industry. To develop these, it was necessary to build railways with the aid of foreign investors. Officials opposed the idea of international commerce and expelled him, but nevertheless built the proposed railways with public money. However, the railways connected politically relevant cities, rather than economically appropriate centers that could have improved the industry of the country, as Liu had advised. After this incident he became very critical of the government and the duties executed by the officials, and decided that the best way to help the common people was through private entrepreneurship rather than the public sector: between 1901 and 1903 he built a department store, a steam cotton mill, a mechanized silk-weaving mill, and a steel refinery, none of them, it should be noted, very successful.²⁸

²⁶ This was the traditional knowledge of the time. Cf. Bastiat on the same topic in his "Academic Degrees and Socialism," collected in Frédéric Bastiat, *Selected Essays on Political Economy* (Princeton: Van Nostrand, 1964), 238, which I discuss in the conclusion.

²⁷ According to Julia Lovell, "in the early nineteenth century, for example, perhaps only 10 per cent of the annual six million taels of silver earmarked for Yellow River Conservancy found their way to Yellow River Conservation, the rest washing away in official banquets and entertainments." See Julia Lowell, *The Opium War* (London: Picador, 2011), 47.

²⁸ It is not clear whether Liu's failures were due to the intervention of the government. According to C.T. Hsia, "most of his plans came to nothing, however, because of the apathy or enmity of the imperial court or the provincial officials involved," in C.T. Hsia, "Liu E's *The Travels of Lao Can*," in Barbara Stoler Miller, ed., *Masterworks of*

There were, however, two important ventures that hastened Liu E's ruin and, eventually, his death. The first took place after the devastation of the Eight-Nation Alliance and the Boxer Rebellion in 1900, which led to a shortage of food in Beijing. Liu found out that the Russians were destroying the surplus rice from the imperial granaries (which they had occupied) because it was of no use to them. He therefore bought it at a very low price and sold it to the poor at a slightly higher price. A second venture was the acquisition of a large piece of land in Pukou 浦口 district, Nanjing, around 1907. The Chinese government had agreed to build a railway connecting Tianjin 天津 with Nanjing the next year, and Liu E saw this would increase the value of the land because of the position of Pukou as a trading port. Some officials became jealous of his insight and appealed to the Grand Council of the State and the Chinese general Yuan Shikai 袁世凱 (1859-1916), a friend of the same functionaries who had been resentful of Liu's achievements with the Yellow River Conservancy project. He was charged with treason for buying Chinese land for foreign investors, but avoided prison thanks to his brother-in-law, who was a provincial governor. Although the accusation was dropped, Yuan Shikai indicted him again on the same charges, this time adding Liu's former venture in Beijing, and accusing him of misappropriating public property—the rice from the Russians that Liu had sold was taken from the imperial granaries that belonged to the government. Liu E was sent to Chinese Turkestan in July 1908 on an arduous journey that undermined his health. He passed away in exile on August 23, 1909.

As Harold Shadick points out, Liu E was a farsighted pioneer who tried “to break through the inertia of centuries.”²⁹ But his philosophical views were also the cause of his eventual downfall: “Safeguarded from all dogmatism and fanaticism,” writes Shadick, his thought “gives its blessings to anybody who lives freely and fulfills his destiny without encroaching on the freedom of others.”³⁰

IV. The Travels of Laocan

It was after his venture in Beijing in 1903 that Liu also started to work on his magnum opus, *The Travels of Laocan*. The project was initially begun to earn some money for his friend the novelist Lian Mengqing 連夢青 (d.

Asian Literature in Comparative Perspective: A Guide for Teaching (Armonk, NY: M.E. Sharpe, 1994), 301. Nevertheless, there is no study of this aspect of Liu E's life.

²⁹ Shadick, xv.

³⁰ *Ibid.*, xviii-xix.

1914), who was being persecuted by the government because of the publication of some sensitive information in a local newspaper. Given his many other occupations and the fact that he only wrote one story,³¹ it can be fairly said that Liu E was not exactly a novelist, but a scholar who expressed his thoughts on Chinese government and the country's future through his powerful narrative. However, his motivations run parallel to the Southern school of writers who appeared after the Boxer Rebellion, and who were concerned with the fate and future of China. This was a period of transition between traditional Chinese values and the new Western learning, and the Southern school integrated both holistically, instead of rejecting the former and endorsing the latter.³² Liu E's *Travels* reflect not only this ambiguity, but also many of his personal experiences as a doctor and entrepreneur, as well as his disappointment with officialdom, elements that inspired his portrait of Laocan, the leading character of the novel.

It has been pointed out the *Travels*' "lack of unity in both plot and subject matter" in the Western sense and "its rambling structure and its apparent unconcern with plot"³³ are attributes that make its story as unique as it is difficult to explain. An example of this lack of unity can be seen in the opening of the first chapter, which starts with Laocan wandering around the province of Shandong, where he meets a sick man called Huang Ruihe 黃瑞和 (lit. Yellow Auspicious-Harmony)—an allegorical figure for the "illness" of the Yellow River. The story continues, however, with the well-known dream of the Great-State Ship, and the issue of the Yellow River and its conservancy project is not mentioned again until the end of chapter 3, being finally addressed in chapter 13.

³¹ Besides the *Travels of Laocan*, Liu E wrote five major works on archaeology, four on flood control, three on history, two on astrology, two on medicine, and one on music, as well as three poetry compilations and a number of diary notes, reviews, and poems. See "Ryū Tetsuun kenkyū shiryō mokuroku" 劉鉄雲研究資料目錄 ["Index of Research Materials on Liu Tiejun"], *Shinmatsu shōsetsu kenkyū* 清末小説研究 1 (1970): 92-93.

³² Shadick, viii. Cf. Liu E's poem "For Self-Satisfaction" (*Zichao* 自嘲), in Liu E, *Tiejun shicun* 鐵雲詩存 [*Extant Poetry by Tiejun*] (Jinan: Qilu Shushe, 1980), 24: "Mr. Tie loves antiquity as much as he loves beauty." An example of this integration was the aforementioned author and translator Lin Shu, on whose works see Chow Tse-tung, *The May 4th Movement: Intellectual Revolution in Modern China* (Cambridge: Harvard University Press, 1960), 68.

³³ C.T. Hsia, "The Travels of Lao Ts'an: An Exploration of Its Art and Meaning," *Tsing Hua Journal of Chinese Studies* 7, 2 (1969), 40.

Indeed, the reader is left with the feeling that there is no connection between the different stories as they are told, the book being simply a collection of dispersed anecdotes with no narrative thread or, as one critic defines it, a “hero’s journal” that serves “as a commentary on China charged with deep personal emotion.”³⁴ For instance, in chapters 2 and 3 Laocan attends a concert at Ming Lake House and hears about the cruelty of Yu Zuochen 玉佐臣. His attempts to stop Yu last through chapters 4 to 7 and are then interrupted by an exposition of Liu E’s moral philosophy in the form of another character, Shen Ziping 申子平, who visits the Peach Blossom Mountain (chapters 8 to 11). After this, Laocan’s character reappears in the narrative to find the Yellow River frozen. Unable to return to the provincial capital (chapter 12), he checks in at a local inn and starts a long conversation with a friend and two prostitutes, who tell their own stories (chapters 13 to 14). Up to this point, the book is basically about the stories Laocan hears in his travels and how he tries to aid the people he meets. The unity of the novel as a journal, however, is broken in these final chapters (15 to 20) when the author, influenced by the popularity of Sherlock Holmes in China, gives Laocan the active role of a private detective in a mysterious case. This structure may suggest that Liu E’s main concern was not literary, but to make money for Lian Mengqing, monetizing his own experiences in the form of a novel and fictionalizing his criticism of the government.³⁵ Given the abnormal arrangement of the *Travels* and the lack of a distinctive narrative structure, we will organize our discussion into four major topics that cover Liu E’s views on government.

The dream of the Great-State Ship

The *Travels* opens with one of the most illustrative chapters in modern Chinese literature: the arrival of a colossal Chinese ship, representative of the state, which is now on the verge of destruction because of the crew’s incompetence. The ship is said to be twenty-three or twenty-four *chang* 丈 long—about seventy-five meters—representing the number of provinces in China before 1911, and it is commanded by a captain—the emperor—and four helmsmen—the four grand secretaries. The ship has eight masts, two rather new but one already worn out, symbolizing the traditional six

³⁴ Ibid., 41.

³⁵ Ibid., 50-51. For Lian Mengqing’s activities against the Qing government, see Rudolph Ng, “The *Yuandongbao* 遠東報: A Chinese or a Russian Newspaper?” in Dan Ben-Canaan et al., ed., *Entangled Histories: The Transcultural Past of Northeast China* (Heidelberg: Springer, 2014), 108-9.

government departments and the newly created Foreign Office (1861) and the Navy (1890), the former rotten because of the government's anti-foreign policies.³⁶ Inside the ship the citizens of China "were sitting on the deck without any awning or other covering to protect them from the weather," "wet and cold, hungry and afraid," their provisions and garments stripped from them by the crew.³⁷ But among these people a leader arose, and told them their "inherited property" was being destroyed by the crew—that is, the government—and if they did not take control of their own lives and fight against those pillaging them, they would deserve to be killed.³⁸

Laocan, however, realizes that the new leader is in fact a "populist" no better than the state. He asks for money for a revolution, and, after collecting it from the poor citizens with the excuse of laying "the foundations of a freedom which is eternal and secure," he takes the money and leaves for the other side of the ship, abandoning the citizens after urging them to attack and kill the crew for him. Eventually, Laocan and his two friends—named Master Literature and Mr. Virtuous Intelligence—decide to help the Chinese state ship and present the captain with a compass, but suddenly another seaman arrives and starts screaming: "They've got [a] foreign compass. They must be traitors sent by the foreign devils! They must be Catholics! They have already sold our ship to the foreign devils."³⁹ He is then joined by the populist leader, who asks the people to kill Laocan and his friends. At the end, the whole story turns out to be Laocan's dream, an allegorical representation of China's fate and the failures Liu E had to endure in his life, not because he was wrong or incompetent, but because he fought against a gargantuan state and a blind, indoctrinated mob. It is indeed ironic that the fate of Laocan in

³⁶ For an interpretation see Shadick, 239, note 14, where he adds: "Until the Western powers forced themselves on the Chinese there was no Foreign Office, as traditionally China was considered to be the only civilized state in the world, and all other peoples being tributaries."

³⁷ *Ibid.*, 7.

³⁸ Shadick translates *zuyi gongsi chanye* 祖遺公司產業 as "inherited property" (9), while Yang's translation reads "public property left by your ancestors" (20). The key word here is *gongsi*, which means "company" in modern Chinese and has the implicit meaning of "public" or *gong* because for a very long time in post-1949 China there was no private entrepreneurship. What Liu E is saying, however, is closer to Shadick's reading: China is like a big company, the shared property of its citizens, and it does not belong to a few statesmen or government. *Gong* in classical Chinese means not only "public," but also "shared" and "society."

³⁹ Shadick, 10-11. Some parts of this accusation have been removed in Yang's translation.

Laocan's dream was shared by the book's author, Liu E, who would also be charged with treason for trying to help the country with foreign knowledge, and would finally die as a result of his exile.

An oppressive government is fiercer than a tiger

One of the aforementioned experiences Liu E had during his early years, the supervision of the flood-control project along the Yellow River, is also detailed in his novel. Through the lips of Laocan, Liu E explains how the traditional system for preventing floods, used by the Chinese government since antiquity is based on the idea that, because "you must not struggle with the river for land," it is better to expand the river's bed so there is more space between the dikes on either side. But, as Laocan explains, this method is flawed because the flood only strikes once a year and, when the current is weak, the silt easily deposits in the new, enlarged land, causing bigger floods the next time.⁴⁰ Expanding the river's bed not only increases the strength of floods year after year—it also has terrible consequences for the common people. In chapter 13 the officials, ignoring Laocan's advice, want to destroy the dikes built by the common people and use new dikes set up by the government far from the river's perimeter, which will provoke the destruction of all the houses along its margin when the flood comes. Since there are many families living between the river and the new dikes the officials want to employ, the government decides not to tell them anything and avoid compensating them for moving out. After the commoners are killed by the flood, the officials justify their actions by quoting an ancient saying: "If the small does not suffer then the great scheme is thwarted."⁴¹

Just as the Great-State Ship was being destroyed by the incompetence of the crew, the land of the Chinese people was also being devastated by the ineptitude of public servants who favored public property (the dikes built up by the government) and the "greater scheme" over private property (the common people's dikes) and "the small"—that is, the individuals sacrificed for the well-being of the whole country. The river's flood also seems to be an obvious reference to the power of the state: the toll the flood inflicts on the people comes once in a year, just like government taxation, and, once expanded—either the government or the taxes—crushes the common people and ravages their property, being almost impossible to reduce to its original size.

⁴⁰ Ibid., 38.

⁴¹ Ibid., 149. I suggest this is an analogy between the expansion of the river's bed and the growth of government.

But rather than the size of the government, Liu E was concerned with the paternalistic attitude of some officials and the resulting tyrannical conditions associated with the security they were supposed to provide. One of the characters in the novel states that a “tyrannical government often looks well on the surface” because its deeds are excused by the idea of the common good, while those who respect government are actually quite satisfied with the status quo or even benefit from it.⁴² But the common people under a “tyrannical, paternal official” are in fact just like starving birds at winter—or even worse actually, since the birds at least “enjoyed freedom of speech.”⁴³ To illustrate this point, Liu E quotes a well-known Confucian saying, “Oppressive government is more terrible than tigers,” which recalls a story from the *Classic of Rites* where a widow who had lost all her family in a tiger attack was reluctant to leave the place because at least there was no oppressive government there.⁴⁴

The most dangerous officials

Liu E was well aware of the problems associated with public service, and he did not hesitate to comment on how pointless officialdom was. In one of his travels, at the end of chapter 6, Laocan meets with an important official who wants to persuade him to work for the government. Laocan was well known for censuring hermit scholars who preferred seclusion because “the world produces a limited number of gifted men; it is not good to belittle oneself unreasonably!” The official believes Laocan should join him because he is such a gifted man and the only way to make a difference in the world is with the support of the state. But for Laocan the unrestrained individual is the only force that can truly change things and solve the problems facing Chinese society:

Does it contribute anything to be an official? I should like to ask, now that you are magistrate of Ch’engwuhsien and are “father and mother” to a hundred *li* and to ten thousand people, where will be the benefit to the people?⁴⁵

⁴² Ibid., 35.

⁴³ Ibid., 66-67.

⁴⁴ Ibid., 63. For the story see James Legge, *The Sacred Books of China: The Li Ki, I-X* (Oxford: Oxford Clarendon Press, 1885), 191.

⁴⁵ Shadick, 69. This theme appears again in the final Arch of the Wei-Jia family, where the government is unable to solve a crime and hires Laocan as a private investigator. See *ibid.*, 206.

Laocan continues to explain that officials “are like the painter of bamboo who ‘had the complete bamboo in his mind’” but can never accomplish the painting. This image recalls Plato’s criticism of painting because it merely and imperfectly “copies” reality.⁴⁶ In some sense, the artist tries to seize and control nature under his pencil, but, because of the complexity of the real world, it is almost impossible for him to succeed. Officials and politicians are also artists making use of some kind of practical skill that can never be developed due to the disparity between the ideal mental image they have of society and the product of individual human action that actually shapes that society.⁴⁷ Thus, Liu E’s criticism of officialdom is also, once more, a veiled attack on central planning and the gargantuan state. Although Laocan does not say it explicitly, the author’s conception of human nature and human action is not so far from the modern libertarian idea of individual freedom:

It is not that I have no ambition for official life, but simply because my nature is too free and easy and doesn’t fit the times.⁴⁸

He goes as far as to suggest that there is something inherently immoral about politicians controlling other people’s lives. At one point in his travels (chapter 15), Laocan meets a woman who has been forced into prostitution because of some personal problems, and one of Laocan’s friends asks him to marry her and become a renowned public servant, so she “from now on is to be a virtuous girl” and Laocan “is to be an official,” to which he sarcastically responds that “according to what you say, she is to follow virtue and I to follow dishonor.”⁴⁹

But for Liu E the greatest problem was not just a tyrannical government and bad officials, but also good officials. In the course of the dream of the Great-State Ship Laocan explains that most of the crew are not actually ruthless but simply ignorant—they may have good intentions, but they do not know how to properly govern their ship. They also do not have a modern compass, so they are using the means of the past to face the dangers of the present.⁵⁰ Both themes also appear in Frédéric Bastiat’s essay “Academic Degrees and Socialism,” where the French theorist criticizes the

⁴⁶ Eva Keuls, “Plato on Painting,” *American Journal of Philology* 95, 2 (1974): 100-127.

⁴⁷ On this conception of politics as art in the Western Classical world, see M.S. Lane, *Method and Politics in Plato’s ‘Statesman’* (Cambridge: Cambridge University Press, 1998), 137-39 and 163-71.

⁴⁸ Shadick, 36.

⁴⁹ *Ibid.*, 170.

⁵⁰ *Ibid.*, 8.

educational system of his time for overusing classical texts in educating the contemporary students. Here, Bastiat also speaks of “these sectaries [who] were acting in good faith, and this made them all the more dangerous.”⁵¹ Liu E echoes Bastiat’s insight a number of times. For example, in chapter 14, speaking of his previous experiences with flood control, Laocan says:

The cases where the welfare of the Empire is prejudiced by wicked officials are three or four in ten. But those due to ignorance of practical matters on the part of good men are six or seven in ten!⁵²

And more poignantly:

if those without ability get into office it does not matter at all; the really bad thing is when men of ability want to be officials.⁵³

Incorruptible politicians may also be as bad as good officials. One of the nemeses of Laocan in the novel, Gang Bi 剛弼—probably modeled after the Manchu Gang Yi 剛毅 (1837-1900), who accused Liu E of treason—scolds a group of torturers because “when you think a case is not very serious and you are given money, you make torture light so that the criminal shall not suffer so much.”⁵⁴ As Walter Block points out, “it is immoral to extort money from prisoners for not torturing them; but surely it is worse to not take the money—and instead, to obey orders and torture them.”⁵⁵

Liu E’s perception of officialdom is partially based on the Daoist idea that a country cannot be ruled with knowledge. Ancient commentators on the Daoist canon understood this “government through ignorance,” as defended in the *Daodejing*, as a strategic move:

That people are hard to keep in order, is due to their intelligence being increased. [A ruler] has to block up the openings and shut the gateways to get them to be without knowledge and without desires. But if he moves the people with knowledge and artifacts, their depraved hearts will also move. If he then again with cunning arts blocks the deceptions by the people, the people will know his arts and will thereupon thwart and evade them. The more cunning his

⁵¹ See Bastiat, *Selected Essays*, 9.179.

⁵² Shadick, 157.

⁵³ *Ibid.*, 70.

⁵⁴ *Ibid.*, 177. For the problems of the identification between Gang Bi and Gang Yi, see Hsia, “The Travels,” 51.

⁵⁵ Walter Block, *Defending the Undefendable* (Auburn, AL: Ludwig von Mises Institute, 2008), 96. I am grateful to an anonymous reviewer for pointing out the similarity between these arguments.

thoughts, the more exuberantly will their falsehood and deception sprout.⁵⁶

However, for Liu E, who was not a pure Daoist but accepted the combined doctrines of the Great Valley school, human nature did not need the coercive power of the ruler. On the contrary, people should be free to choose and behave as they wish and to pursue their own happiness and desires, as long as that freedom does not endanger society.⁵⁷ A bad ruler would not be a serious problem because, lacking the ability to properly “paint reality,” so to speak, he cannot do anything good or bad and his policies will have no actual influence on society. But men of ability and with good intentions are more dangerous because, continuing with the allegory of the painter, they will trust their skills and force people to consider their painting as equal, if not superior, to reality.⁵⁸ Ability makes them think they are doing the right thing for the right reasons, even though they cannot really calculate the results of their policies. As Laocan puts it, “the greater the official position such a man holds, the greater the harm he will do.”⁵⁹

The right to self-defense

In a truly libertarian society, “every man has the absolute right to his justly-held property” and by extension “he has the right to *keep* that property—to defend it by violence against violent invasion.”⁶⁰ Thus, he also has an absolute right to bear arms to do so. Laws and regulations against the possession and ownership of arms have existed in China at least since the

⁵⁶ This is Wang Bi’s 王弼 commentary to chapter 65 of the *Daodejing* 道德經. I follow the translation of Rudolf G. Wagner, *A Chinese Reading of the Daodejing* (Albany: SUNY Press, 2003), 346, with a few variations taken from Roger T. Ames and David L. Hall, *Dao De Jing: A Philosophical Translation* (New York: Ballantine Books, 2003), 164. The sentence “block up the openings and shut the gateways” appears in chapters 52 and 56 of the *Daodejing*. According to Wang Bi, the “openings are the basis from which desires for action arise” and the “doors are the basis from which desires for action are pursued,” so the idea is to keep people ignorant and without desires to avoid chaos.

⁵⁷ We should of course not confuse “society” and “the state.” See Murray N. Rothbard, *Power and Market* (Kansas City: Sheed Andrews and McMeel, 1977), 237-38.

⁵⁸ This recalls the Leninist idea that, if reality does not match a given ideology, then reality must be wrong. See Roger F. S. Kaplan, *Conservative Socialism: The Decline of Radicalism and the Triumph of the Left in France* (London: Transaction Publishers, 2003), 200.

⁵⁹ Shadick, 70.

⁶⁰ Murray N. Rothbard, *The Ethics of Liberty* (New York: New York University Press, 2002), 77.

centralization of its different states under the rule of the first emperor in 221 BC, but the scope of these regulations has varied from time to time and restrictions increased every time China was under foreign rule.⁶¹ This was the case during the events described in Liu E's *Travels*.

Liu E, however, defended the right to own and bear arms, at least for home protection and self-defense, and criticized the government's monopoly on power and safety. For instance, chapter 4 introduces the story of a family whose village has been sacked many times by bandits. Because the government is incapable of guaranteeing its safety, the family acquires some weapons to protect itself. But one day some officials looking for the bandits search the house and find the concealed weapons: "What honest people would dare to buy firearms; your family are certainly bandits!" The officials then sack the house and take all the residents, young and old, into custody for a trial that is delayed indefinitely.⁶²

Liu E's criticism is not only directed against government control, but also against the lack of rule of law and the impossibility of holding officials to account: an official can wrongly charge the family with banditry and thus avoid responsibility for not being able to find the real offenders. This raises the old question of *Quis custodiet ipsos custodes?* ("Who will watch the watchmen?"), found in the *Satires* of the first-century Roman poet Juvenal.⁶³ Liu E does not offer a clear answer, but from his exposition and complaints against officialdom it seems logical to conclude that, if the government

⁶¹ The Jurchens ruled China between 265 AD and 420 AD, and, up until 589 AD, China was divided in two dynastic groups: the Jurchens in the North and the Xianbei in the South. The Liao Dynasty, also known as the Khitan Empire, ruled between 907 and 1125, when the Jurchens defeated them and took control of a great part of China until the year 1234, sharing the territory with the Chinese Song Dynasty and the foreign Tangut Empire. Finally, between 1271 and 1368 China was ruled by the Mongol Empire, descendants of the Xianbei, and between 1644 and 1911 by the Manchu Great Empire of the Qing, descendants of the Jurchens. Measures against the ownership of weapons were meant to protect the invaders from possible revolts, and for this reason only the Mongols and Manchus could bear arms. Likewise, the early Qin Dynasty (221-206 BC) and the modern People's Republic of China (1949-), two dictatorships, also banned weapons. See Lin Shuhui 林樹惠 et al., *Yapian zhanzheng 鴉片戰爭* (Shanghai: Shanghai renmin chubanshe, 2000), vol. 5, 291.

⁶² Shadick, 47-53.

⁶³ VI, 347-48. Plato's *Republic* also brings up this problem, which is solved by Socrates, at 590d, by appealing to an inner divine ruler the watchmen have within themselves.

cannot protect the common people, the common people should be able to enjoy more freedom to pursue their own interests in their own way, including by protecting their private property.

Finally, a word should be said about Laocan's policy of "turning robbers into honest people" through a semi-private police force, which occupies the first half of chapter 7.⁶⁴ An official called Shen Dongzao 申東造 is worried about the inability of the local government to catch criminals, especially major ones. Laocan suggests hiring a private citizen experienced in martial arts, and using him to trick the robbers into thinking he is a bodyguard (*baopiao* 保鏢) from the official armed-escort company (*biaosi* 保司).⁶⁵ Because such companies have secrets contract with gangster groups from the underworld (*jianghu* 江湖) and are therefore never robbed, this tactic may stop theft by organized crime lords. Additionally, small thieves will not be a problem, Laocan believes, because they are easily spotted and will be promptly captured even before the victim makes a report. Laocan does not explicitly say who will make this "secret report," but from the context and the traditional way such organized crime entities operated, the informer would be someone from the gang, which would not allow outsiders to steal on its turf.

This is indeed an interesting way of dealing with criminals for citizens who are dissatisfied with the public police force: the big robbers become "honest citizens" by denouncing small robberies and, because they have been deluded, will refrain from further criminal actions. Ultimately, these robbers would either leave the place or engage in more licit activities, such as private security.⁶⁶ This is why Laocan calls his policy "turning robbers into citizens":

⁶⁴ Shadick, 72. It should be noted that the correct translation of *bua dao wei min* 化盜為民 is "turning robbers into citizens."

⁶⁵ Shadick's misleading translation of *biaosi* as "insurance offices" and also *jianghu* 江湖 as "rivers and lakes" instead of "community of outlaws" or "underworld" (Shadick, 75) could be wrongly seen as an anticipation of the modern libertarian idea of defense as a form of insurance, first proposed by Gustave de Molinari and later advocated by Murray Rothbard and Robert P. Murphy. However, as explained in the text, this is not Laocan's idea. For libertarian views on insurance offices, see Gustave de Molinari, *The Production of Security* (Auburn, AL; Ludwig von Mises Institute, 2009), 53-61; Murray Rothbard, *For a New Liberty* (Auburn, AL; Ludwig von Mises Institute, 2006), 267-69; Robert P. Murphy, *Chaos Theory* (Auburn, AL; Ludwig von Mises Institute, 2010), 17-19.

⁶⁶ In fact this is what happened with many Triad groups—the modern version of the *jianghu*—in Hong Kong. See Yiu Kong Chiu, *The Triads as Business* (London: Routledge, 2000), 43 ff. and 124; Flora Fung Hiu Ching, "Triads in Legitimate Business in Hong

if you cannot make evil people good through deterrent punishment, at least you can make it more valuable for them, through incentives, to behave in a less harmful way.⁶⁷

V. Conclusion

Liu E's views were of course not fully consistent with every possible tenet of libertarianism. But he championed the free market and international trade and strongly opposed protectionism, speaking about the misery of interventionism and officialdom. His character in the novel, Laocan, was also tolerant of prostitution, and although he deemed it "not virtuous," he treated prostitutes with dignity and equity and did not despise them or their profession. In a poem written immediately after the Boxers took over Beijing in September 1900, Liu E even addressed the problem of warfare and the afflictions brought upon the people through military interventions:

Facing west longs Chang'an for its Emperor, the Penglai Terrace is clouded by war. Weapons burn and agitate the Tartar office, heavily guarded is the minister's house. Commoners contain their suffering with meaningless tears, within the Nine Gates they endure out of breath. Recalling when that vile crowd filled the court—gifted godly Boxers that will not stop their boast.⁶⁸

On the other hand, for instance, he seems to have favored patents to recognize the merits of inventors. However, it is not clear from the context whether he defended government-protected production by merely to recognize the achievements of Chinese inventors and enhance their fame, or in order to increase creativity and benefits.⁶⁹

Kong," available at <http://www.uniassignment.com/essay-samples/business/triads-in-legitimate-business-in-hong-kong-business-essay.php>.

⁶⁷ The issue of the economic necessity of marginal deterrence has been addressed, for example, in Daniel D. Friedman and William Sjostrom, "Hanged for a Sheep: The Economics of Marginal Deterrence," *Journal of Legal Studies* 12 (1993), 345-66.

⁶⁸ Liu E, *Tieyun shicun*, 66 (our translation). Empress Dowager Cixi, who executed the leaders of the Boxer Rebellion in July, left Beijing on August 15. The Penglai or Daming Palace was the royal residence of the Tang emperors, located in Chang'an, the capital city of the Tang Dynasty. Liu E uses Chang'an and the Penglai Palace as a metonymy of the modern capital and the Forbidden City, which was besieged by foreign armies on August 28. The Nine Gates refer to the traditional nine major city gates of Beijing.

⁶⁹ Shadick, 136. The word employed by Liu E, *zhuānli* 專利, literally means "exclusive benefit": "If they were produced in any European or American country, all the

In 1850 Bastiat criticized the French university system of academic degrees for being excessively confined within the limits of ancient lore, namely, Latin books.⁷⁰ Bastiat believed that, paraphrasing Benjamin Constant's seminal essay, the knowledge of the ancients was too different from the knowledge of the moderns or, as he puts it, "the knowledge of what things are, and not the knowledge of what was said about them two thousand years ago" is the true nourishment of the human mind, for "antiquity is the childhood of the world."⁷¹ But it is true as well that by knowing the ancients, whether they are our own or those from other cultures, we are also able to identify their weaknesses, reflect on our own defects, and reform ourselves accordingly.

Those who wish to engage in the battle of ideas also have a more compelling reason for taking the ancients into consideration. By understanding that there is a rich alternative tradition of liberty in Asian societies, we will be better prepared to answer those who advocate "Asian authoritarianism" with a more coherent system of "Asian libertarianism" based on the same endogenous values advocates of the former also claim to cherish. Of course, just like in the Western world, Chinese tradition has its own Hobbeses and Marxes—advocates of centralized government such as Mozi 墨子 (ca. 470-391 BC) and the legalists Li Si 李斯 (ca. 280-208 BC) or Han Fei 韓非 (280-233 BC). Likewise, libertarians can also provide a rich number of examples from the classical Chinese tradition in general and Confucianism in particular to support their own statements.

Liu E's life and work bear witness to a rich tradition opposed to authoritarianism, warfare, violence against the individual, and protectionist policies, showing that "Tigerism" and "Asian values" or ideas of "Asian liberty"—if we are to accept the legitimacy of these concepts—do not have

newspapers there would help the first maker of such lamps to become known, and the government would grant him a patent! Alas! This not the rule in China... it was the fault of the times that they [Chinese inventors] achieved no fame by it" (in fact, the Chinese text reads "the country," not "the government").

⁷⁰ See his aforementioned essay, "Academic Degrees and Socialism."

⁷¹ *Ibid.*, 9.238. The last sentence comes from Francis Bacon's *The Advancement of Learning* (1605), book I, section V, where it is quoted in Latin: "Antiquitas saeculi juvenus mundi." Bastiat is following here a long tradition of scientists and philosophers, from Galileo to Bruno, who defended a similar idea. See Francis Bacon, *The Works of Francis Bacon*, edited by James Spedding, Robert Leslie Ellis, and Douglas Denon Heath (London: Longman, 1857), vol. 1, 458-59, note 4, where the sentence is traced back to the Jewish book of 2 Esdras, 14.10.

to be necessarily rooted in repressive and despotic governments. If there is something to learn from the ancients in general, and Liu E in particular, it is that the burden of proof does not rest upon those who defend liberty, but on those who refuse to answer the tough question: Why not Asian libertarianism?