

Shoulder Poles and Bombs: Grain Market Controls in Greater Chongqing (1949-1953)

Li, Wankun and Cathcart, Adam

School of History, University of Leeds, Leeds, LS2 9JT, UK

E-mail addresses: hywl@leeds.ac.uk A.Cathcart@leeds.ac.uk

Abstract

In the early years of the People's Republic, the CCP attempted to establish control over grain markets. The implementation of the Unified Purchase and Sale of Grain Policy (*liangshi tonggou tongxiao* 粮食统购统销政策) was a significant step toward this end, and part of the broader move toward collectivisation that would lead to the Great Leap Forward. This study aims to inflect the literature by focusing on the grain market and grain policies in rural Chongqing, showing the role of state price management and state-owned grain companies before the grain monopoly in 1953. This paper uses an array of material from newly-opened county archives with a focus on Jiangjin County, a rural area of southern Chongqing, to show that in the early 1950s, CCP state-building policy featured not only violent mass campaigns but also utilized gradualist strategies to compete with the merchants, achieve influence, and finally control the market.

Keywords: Chongqing, Sichuan history, grain policy, merchants, peddlers, Five-Anti Campaign, State-owned Grain Trade Company, *tonggou tongxiao*.

Introduction

In 1953, grain merchants in cities around the country posed a challenge to the young government of the Chinese Communist Party (CCP). On 1 October 1953, Chen Yun (陈云), the deputy premier of the Government Administration Council and the director of the Financial and Economic Committee (*zhengwuyuan fuzongli jian caizhengjingji weiyuanhui* 政务院副总理兼财政经济委员会), reported to Mao Zedong on the

national grain supply situation after the ceremony of the PRC's birthday at Tian'anmen.¹ Chen's report showed that the grain situation was not absolutely dire, but neither was it stable. Chen pointed out that the national grain supply was experiencing potentially extreme shortages and the grain market was in chaos in some cities. If the government did not impose a monopoly over the sale and purchase of grain, he argued the situation would worsen. Mao agreed with Chen Yun's proposal immediately and decided to organize the enlarged meeting of the Political Bureau of the Central Committee the next day.

On 2 October, in analysing reasons behind the grain shortage and the disordered market, Chen Yun pointed to the grain peddlers (*liangshi fanzi* 粮食贩子) as the culprits. Showing frustration with thousands of peddlers joining the market when grain prices fluctuated, Chen said: "peddlers are so hateful (*kewu* 可恶) and hard to deal with because they are mobile and need only a shoulder pole." Chen later developed a reputation for enhancing market elements in the planned economy, but his strong language in 1953 betrayed significant frustration with the capitalistic instincts of the grain sellers.² One week later, at the Emergency National Conference on Grain Work (*quanguo liangshi gongzuo jinji huiyi* 全国粮食工作紧急会议), Chen's preoccupation with the mobile peddlers went further.³ Here, Chen pictured himself as a "Bangbang Man" or rice peddler, who carried two baskets or "bombs" on either side of a pole.⁴ The "yellow bomb", he explained, was price fluctuation; the "black bomb" was resistance from peasants. "If we cannot get grain, the price will fluctuate the whole

¹ Zhonggong zhongyang wenxian yanjiushi [CCP Central Document Research Bureau] ed., *Chen Yun Nianpu* [Chen Yun's Chronicle], vol.2, (Beijing: Zhongyang wenxian chubanshe, 2015), 272.

² Chen Yun, "Shixing Liangshi Tonggou Tongxiao" [Implementation of Unified Purchase and Sale of Grain], October 10, 1953. In Zhonggong zhongyang wenxian bianji weiyuanhui [CCP Central Documents Editing Committee] ed., *Chen Yun Wenxuan* [Selected Work of Chen Yun], vol. 2, (Beijing: Renmin chubanshe, 1984), 204.

³ According to Bo Yibo, the government removed the word "Emergency" from the conference title when it was made public. See Bo Yibo, *Ruogan Zhongda Juece yu Shijian de Huiyi* [Reflections on Several Important Decisions], vol. 1, (Beijing: Zhonggong dangshi chubanshe, 2008), 187.

⁴ Qin Jie, *Chongqing Bangbang: Dushi Ganzhi yu Xiangtu Xing* [Chongqing Bangbang: The Urban Perception and Agrestic] (Beijing: Shenghuo dushu xinzhi sanlian chubanshe, 2015), 10; Xia Zhang, "Ziyou (Freedom), Occupational Choice, and Labor: Bangbang in Chongqing, People's Republic of China," *International Labor and Working-Class History* 73, no.1 (2008): 65-84.

market; if we adopt a policy of acquisition, peasants will resist.”⁵ These were dramatic statements to his CCP comrades, but Chen’s nervousness may have been calculated; among the top CCP cadres, few had as much experience dealing with merchants in localities ranging from the Northeast periphery to the commercial epicentre of Shanghai.⁶ Nevertheless, he also wanted to very clear about the antagonism that hostile merchants embodied for the CCP. As the party pivoted to what it would call a transition to socialism, grain was a major concern amid needs to consolidate control over merchants and indeed over agricultural and industrial production more broadly.⁷ At the local level, the desire to unleash transformational mass movements was challenged by the countervailing and relentless demands of the takeover and transformation process, and the basic establishment of normal county administration.

In Sichuan, the stakes related to grain control were inevitably high. Both internal and external expectations existed in the early 1950s that that province -- one of the last to fall under CCP control -- could feed the country.⁸ Chen Yun’s close comrade, Deng Xiaoping, had been appointed as the head of the Southwest China Bureau. Deng had a clear understanding of Southwest China Area’s present duty—namely supporting other areas, especially the eastern cities like Shanghai. Only one month after liberating Sichuan, Deng supported Chen Yun’s work to collect and transport 400 million *jin* of grain from Southwest China to Shanghai in order to balance the unstable grain price in Eastern China.⁹ Grain collection and public security problems were often linked.¹⁰ As

⁵ Chen Yun, *Chen Yun Wenxuan*, vol. 2, 203-217.

⁶ David Bachman, *Chen Yun and the Chinese Political System* (China Research Monograph 29) (Berkeley: Institute of East Asian Studies, 1985), 25; Zhonggong zhongyang wenxian yanjiu shi ed., *Chen Yun Zhuan* [Biography of Chen Yun], vol.1, (Beijing: Zhongyang wenxian chubanshe, 2005), 528-638. On 1945-1947 delays with land reform and violent landlords in the Northeast, see Chen Yun, *Chen Yun Wenji* [Collected Work of Chen Yun], vol.1, (Beijing: Zhongyang wenxian chubanshe, 2005), 620-623.

⁷ See the special issue of *European Journal of East Asian Studies*, vol. 13, (2014), especially Christian Henriot, “The Great Spoliation: The Socialist Transformation of Industry in 1950s China,” 155-162. We thank an anonymous reviewer for the journal for this reference, and for allowing us to appropriate some prose in the sentence that follows the footnote.

⁸ “Miscellaneous Trade Information [for] Szechuan [and] Kwangtung,” 3 October 1951, CREST CIA-RDP82-00457R008800490005-1.

⁹ Deng Xiaoping, “Guanyu Xi’nan Gongzuo Qingkuang de Baogao” [The Report of Southwest Bureau’s Work], January 2, 1950, in *Deng Xiaoping Xi’nan Gongzuo Wenji* [Documents on Deng Xiaoping’s Work in Southwest China], ed. Zhonggong zhongyang wenxian yanjiushi and Zhonggong chongqingshi weiyuanhui (Chongqing: Zhongyang wenxianchubanshe, Chongqing chubanshe, 2006), 44-47.

¹⁰ Zhou Shidi, Wang Xinting and Liang Jun, “Jiefangjun di Shiba Bingtuan guanyu Chengdu Zhanyi Jieshu Gongzuo Baogao” [The Report on Chengdu Battle Ending Works by the PLA 18th Corps], 13 April 1950, in *Chengdu*

late as 1954, cases of “Destructive Activities by Landlords, Rich Peasants And Counterrevolutionaries (*di fu fan pohuai yundong* 地富反破坏运动)” were still arising around rural areas in Chongqing.¹¹ As described in Jiangjin County archives from that year, 107 landlords and rich peasants were named and sentenced by authorities as counterrevolutionaries, resulting in fourteen death sentences. (The report’s title, however, indicated the real body count was higher -- nineteen suspects had not waited to be judged and simply killed themselves first.) Other cases arose under the rubric of “Anti-Unified Purchase and Sale of Grain Cases” from 1953 to 1956 in other provinces.¹² Public security, the location of class enemies, and the violence that attended land reform was all significant to the consolidation of CCP power in Jiangjin County. But what was it about Chongqing, and Jiangjin’s place within the larger area, that was so important?

At the junction of the Yangtze and Jialing Rivers, the greater Chongqing area had grown in the mountains as part of Sichuan Province. Chongqing was not only the historical gate way and a trade port of Southwest China towards the lower Yangtze River area, its massive counties were labeled by both Guomindang and the CCP as a grain production area and accordingly were bore with heavy levies. For Sichuan (including Chongqing), the provincial government had been charged with supplying grains to the major cities of southern China during the First Five-year Plan (1953-1957), during which 10 billion kilograms of grain were surplus after purchase and sale in the

Jiefang [Liberation of Chengdu], ed. Chengdushi dang’anju [Chengdu Archives] (Zhongguo wenshi chubanshe, 2017), 121. For an American intelligence appraisal, see “Situation of Guerrilla Suppression Campaign of 1951,” 1951-March 1952, CREST CIA-RDP82-00457R011600220005-8.

Wang Di, *Violence and Order on the Chengdu Plain: The Story of a Secret Brotherhood in Rural China, 1939-1949* (Stanford University Press, 2018).

¹¹ In October 1954, in Ciyun Village (in Chongqing) alone, there were 539 cases of violence, including resistance from some landlords against authorities’ plans to increase production or exaggerate their grain output. Zheng Binbin, “Zengchan Tonggou yu Shehuizhuyi Gaizao: 1953 he 1954 Nian de Liangshi Tonggou Tongxiao: Yi Chongqing Jiangjin wei Zhongxin,” [The Yield Increase, Unified Purchase and Socialist Transformation: The Unified Purchase of Grain in 1953 and 1954: A Case Study Based on Jiangjin County], (Masters dissertation, Shanghai Jiao Tong University, 2013), 40-41.

¹² Jiangjin xianwei [Jiangjin County Party Committee], “Jiangjin Xianwei Guanyu Tonggou Tongxiao Zhong Zisha Qingkuang de Baogao,” [The Report of the Suicide in Unified Purchase and Sale by Jiangjin County Committee], November 28, 1954, Jiangjin District Archives (JDA), 0001-0001-00155. From the archives in County Public Safety Bureau X (one county in Jiangxi Province), several small cases were noted from 1953 to 1956. There was some official acknowledgement of suicides in Sichuan province attributed to “cold and starvation” in March 1953; see *Xinhua Ribao*, March 24, 1953, quoted in “Famine Hits 1,000,000 in Southwest China,” *New York Times*, April 2, 1953, 2.

province, and 8.1 billion kilograms in total were transported to other regions. Chongqing was the provincial export centre, and sixty percent of Sichuan's grain was transferred via Chongqing to Central and Eastern China.¹³ Meanwhile, the annual levying and purchasing amount in the greater Chongqing area, including urban Chongqing and four rural districts in 1950, took an average of eighteen percent of the whole province's charged amount since 1953.¹⁴ As one of the most productive counties in greater Chongqing, Jiangjin County played an important role in agriculture, transport, and marketing of grain. The reports from the county archive provide insights into the difficulty of the CCP had with establishing a political foothold in greater Chongqing, and thereafter gaining control of the grain market and production process through a series of campaigns.

Historians researching Chongqing's history tend to focus on the region in the 1930 to 1940s, because Chongqing was the wartime capital and the center of the "Great Rear Area (*da hou fang* 大后方)" during the Second Sino-Japanese War.¹⁵ With respect to post-1949 history, scholars have done remarkable research on Sichuan's experience of

¹³ Sichuansheng difangzhi bianzuan weiyuanhui [Sichuan Gazetteer Compilation Committee] ed., *Sichuan Shengzhi: Liangshi Zhi* [Sichuan Gazetteer: Grain] (Chengdu: Sichuan kexue chubanshe, 1995), 4. As a result of the continuous exporting of grain, Sichuan became the province with the highest death rate during the Great Leap Forward Famine. According to provincial published documents, Frank Dikotter found that in a county of Chongqing up to 250 people died each day in December 1960. See Frank Dikotter, *Mao's Great Famine: The History of China's Most Devastating Catastrophe, 1958-1962* (Bloomsbury Publishing USA, 2010), 327.

¹⁴ Sichuansheng liangshiju jihua tongjichu [The Statistics Department of Sichuan Provincial Grain Bureau] ed. *Sichuan Liangshi Tongji Ziliao (1950-1991)* [The Grain Statistical Data of Sichuan Province] (Classified, 1992), 84-85. Chongqing was a municipality supervised by the central government directly before 1954, and it became part of Sichuan Province until 1997. With the proposal to build the Three Gorges Dam in 1992, which spans the Yangtze River from Chongqing to Wuhan, Chongqing became a municipality city again. The research region of this paper is the greater Chongqing area today, an area approximating that of the Chuandong Administrative Region (*chuandong xingshu qu* 川东行署区) and urban Chongqing in 1950.

¹⁵ Chongqing was a municipality supervised by the central government directly before 1954, and it became part of Sichuan Province until 1997. With the proposal to build the Three Gorges Dam in 1992, which spans the Yangtze River from Chongqing to Wuhan, Chongqing became a municipality city again. On commodities trade prior to 1949, see Ai Zhike, "The Chongqing Business Networks in World War II," *Chinese Studies in History* 47, no. 3 (2014): 53-72. For the history of wartime Chongqing and Sichuan, see Joshua H. Howard, *Workers at War: Labor in the Nationalist Arsenal of Chongqing, 1937-1949* (University of California, Berkeley, 1998); Zhou Yong, *Chongqing Tongshi* [The History of Chongqing] (Chongqing chubanshe, 2002); Ishijima Noriyuki ed., *重慶国民政府の研究 (最終報告)* [The Study of Chongqing Nationalist Government] (Purojekoto, 2004); Rana Mitter and Helen Schneider, "Welfare, Relief and Rehabilitation in Wartime China," *European Journal of East Asian Studies (Special Edition)*, no. 11, (2012); Nicole Elizabeth Barnes, *Protecting the National Body: Gender and Public Health in Southwest China during the War with Japan, 1937-1945* (University of California, 2012); Isabel Brown Crook, *Prosperity's Predicament: Identity, Reform, and Resistance in Rural Wartime China* (Rowman & Littlefield, 2013); Vincent Chang and Zhou Yong, "Redefining Wartime Chongqing: International Capital of a Global Power in the Making, 1938-46," *Modern Asian Studies* 51, no.3, (2017): 577-621.

the Great Leap Forward famine and Cultural Revolution.¹⁶ By returning to the early 1950s, we seek to build upon scholarship which binds Sichuan to more national histories and narratives in the period, and particularly to provide more robust documents about the roots of CCP grain controls in a key area.¹⁷ We further seek to extend upon research on the early 1950s for areas in Eastern China and big cities like Shanghai and Hangzhou, and bring the focus back to the Southwest.¹⁸ Compared with Southwest China, Shanghai's advanced industry and commerce indeed shaped the societal structure and resulted in the strengthening of a strong class of bourgeoisie, who was the main target of the CCP during its state-building campaigns.¹⁹ The socialist transformation progress in Chongqing, by contrast, was more focused on the group of small business merchants and peddlers because of its lower degree of capitalization and industrialization. Greater Chongqing was further unique in importance of the role played by grain industry capitalists of various dimensions, from small-peddlers to millers as well as those involved in long-term storage and transportation of grain.

¹⁶ The number of deaths due to famine in Sichuan province during the Great Leap Forward has been a matter of some debate. Cao Shuji uses the local population materials since Qing Dynasty to calculate counties natural rate of growth and death, calculating the number of famine-related deaths in Sichuan as 9.2 million; see Cao Shuji, "1958-1962 nian Sichuan Siwang Renkou Yanjiu," [The Dead Population Of Sichuan, 1958-1962], *Zhongguo Renkou Kexue*, no. 1, (2004): 57-67; Frank Dikötter, *Mao's Great Famine: The History of China's Most Devastating Catastrophe, 1958-62* (London: Bloomsbury, 2010); Anthony Garnaut, "The Geography of the Great Leap Famine," *Modern China* 40, no. 3 (2014): 315-348. About the cultural revolution in Chongqing see He Shu, *Wei Mao Zhuxi er Zhan: Wenge Chongqing Da Wudou Shilu* [Fighting for Chairman Mao, Record of the Armed Struggle in Chongqing During the Cultural Revolution] (Hongkong: Sanlian Shudian, 2010); Guobin Yang, *The Red Guard Generation and Political Activism in China* (Columbia University Press, 2016); Chris Bramall, "Agency and Famine in China's Sichuan Province, 1958-1962," *The China Quarterly* 208, (2011): 990-1008. For a treatment spanning various political movements, see Jacob Eyferth, "De-industrialization in the Chinese Countryside: Handicrafts and Development in Jiajiang (Sichuan), 1935-1978," *The China Quarterly* 173, (2003): 53-73

¹⁷ Jeremy Brown, "From Resisting Communists to Resisting America: Civil War and Korean War in Southwest China, 1950-1951," in Paul Pickowicz and Jeremy Brown ed., *Dilemmas of Victory: The Early Years of the People's Republic of China* (Harvard University Press, 2007): 105-129; Julia Strauss ed., *The History of the PRC (1949-1976)* (Cambridge University Press, 2007).

¹⁸ For detail on the CCP takeover of Eastern China's cities, see Kenneth G. Lieberthal, *Revolution and Tradition in Tientsin, 1949-1952* (Stanford: Stanford University Press Lieberthal, 1980). James Gao, *The Communist Takeover of Hangzhou: The Transformation of City and Cadre, 1949-1954* (University of Hawai'i Press, 2004); Jonathan Howlett, "'The British Boss is Gone and will Never Return': Communist Takeovers of British Companies in Shanghai (1949-1954)," *Modern Asian Studies* 47, no. 06, (2013): 1941-1976.

¹⁹ Christian Henriot ed., "The Great Spoliation: The Socialist Transformation of Industry in 1950s China," Special Issue, *European Journal of East Asian Studies* 13, no. 2, (2014). Julia Strauss, "From feeding the army to nourishing the people: the impact of wartime mobilization and institutions on grain supply in post-1949 Su'nan and Taiwan," in *Food and War in Mid-Twentieth-Century East Asia*, ed. Katarzyna J. Cwiertka (Routledge, 2016), 73-92; Julia Strauss, "Paternalist terror: The campaign to suppress counterrevolutionaries and regime consolidation in the People's Republic of China, 1950-1953," *Comparative Studies in Society and History* 44, no. 1 (2002): 80-105; Yang Kuisong, "1952 Nian Shanghai Wufan Yundong Shimo," [Shanghai's Five-anti Campaign in 1952], *Shehui Kexue* no.4 (2006): 5-30.

Referring to literature published by central and local governments, scholars have mainly studied the 1950's grain market policy by focusing on the forming of agricultural cooperatives and the implement of the collectivisation during the First Five-Year Plan. Vivienne Shue was among the first scholars writing in English to trace outline of rural trade and the extent of the central government's market control before 1953. She interprets the struggle as existing as a binary between the government and the peasants since Land Reform. While she noted the role of region and mobility, Shue disregarded the active business carried out by grain peddlers between urban and rural market. Organizationally, Shue focused on Supply and Marketing Cooperatives (SMC, *gongxiao hezuoshe* 供銷合作社) and Agricultural Products Cooperatives (*nongye shengchan huzhuzu* 农业生产互助组) to explain government control over rural trade and to look for the roots of the agricultural collectives of which Mao would become so fond.²⁰ Writing in a period when China's reform and opening up process was just getting underway, Shue lacked access to local archives, but made good use of newspapers and published materials.

In researching the Unified Purchase and Sale Policy, scholars focused on its implementation in order to understand the origins of the Great Leap Forward and Great Famine. Thomas Bernstein interpreted the grain procurement policy in the years before the Great Leap Forward as moderate, enabling increased peasant consumption.²¹ James Gao analysed the year 1953 as a defining moment which led to the Great Famine because of the state deliberately reduced the per capita grain intake of the rural population and rendered them exhausted.²² Local studies have proven crucial to the development of this field, using county-level archives to study the implementation of the grain market policy in various provinces. Tian Xiquan examined the Unified Purchase and Sale of Grain Policy in Tanghe County, Henan Province, assessing the

²⁰ Vivienne Shue, *Peasant China in Transition: The Dynamics of Development toward Socialism, 1949-1956* (University of California Press, 1980), 195-245.

²¹ Thomas Bernstein, "Stalinism, Famine, and Chinese Peasants," *Theory and Society* 13, no.3 (1984): 339-377. Toby Ho, "Managing Risk: The Suppression of Private Entrepreneurs in China in the 1950s," *Risk Management* 2, no. 2 (2000): 29-38. Xie Guoxing ed., *Gaige yu Gaizao: Lengzhan Chuqi Liang'an de Liangshi, Tudi yu Gongshangye Biange* [Reforms and Transformations: Changes in Food Production, Land Policies and Industry and Commerce on Both Sides of the Taiwan Strait at the Beginning of the Cold War] (Taipei: Institute of Modern History, Academia Sinica, 2009). See also Robert Ash, "Squeezing the Peasants: Grain Extraction, Food Consumption and Rural Living Standards in Mao's China," *The China Quarterly*, no. 188 (2006): 959-98. Chris Bramall, "Agency and Famine in China's Sichuan Province, 1958-1962," *The China Quarterly*, no. 208 (2011): 990-1008.

²² James Gao, "1953: The Defining Moment for the Famine--The United Grain Procurement and Marketing System Revisited," *Modern China Studies* 17, no. 2, (2010): 45-74.

strategy as effective in controlling and rotating grain source reasonably to peasant.²³ However, Cao Shuji was more critical in interpreting the failures of local governments in Anhui Province's repurchase of peasant grain rations-- and that policy's convergence with central initiatives --as one representative driver of the Great Famine.²⁴

Limited by a lack of archival records or busy with different agendas, scholars still focus on the implementation of the Unified Purchase and Sale Policy without much explaining its origins or focussing on newly liberated areas like Southwest China. In his popular history of the Great Leap Forward, Frank Dikotter uses the topic of the Unified Purchase and Sale Policy as foreground for a discussion of collectivization and cooperatives around the countryside. His prose pinwheels through dozens of quick and inevitably horrifying snapshots from a number of local archival sources from Henan to Guangdong in the service of a larger point that Chinese peasants were "On the Road to Serfdom."²⁵ Our research aims to fill such scholarly gaps by investigating the contested transformation of the grain market and the CCP's grain policy in local Sichuan before the First Five-Year Plan. This article shows not only the CCP's grain policy on charging agricultural tax, but also the policies towards grain producing peasants and grain merchants in rural society from 1949 to 1953. In doing so, we hope to more clearly document and analyse the changing of state-private relations in rural areas and the formation of the Unified Purchase and Sale Policy. The four elements described above -- the merchants, the Party, the possibility of local resistance and the grain itself-- are the core of our study on the grain policy in Jiangjin County from 1949 to 1953.

²³ Tian Xiquan, *Yanjin yu Yunxing: Liangshi Tonggou Tongxiao Zhidu Yanjiu (1953-1985)* [Evolution and processing: the research on the Unified Purchase and Sale of Grain Policy, 1953-1985] (Shanghai renmin chubanshe, 2014); Tian Xiquan, *Geming yu Xiangcun: Guojia Xian yu Liangshi Tonggou Tongxiao (1953-1957)* [Revolution and Villages: State, Province, County and the Unified Purchase and Sale of Grain Policy (1953-1957)] (Shanghai shehui kexue chubanshe, 2006).

²⁴ Cao Shuji and Liao Liying, "Guojia Nonmin yu Yuliang: Tongbaixian de Tonggou Tongxiao: yi Dang'an wei Jichu de Yanjiu" [State, peasants and surplus grain: Unified Purchase and Sale of Grain in Tongbai County – a research based on archives], *Xin Shi Xue* no.2 (2011): 155-213; Sun Qi, "Dayuejin qian de Liangshi Zhenggou: yi Henan Neixiang xian wei Zhongxin" [Grain Procurement before the Great Leap Forward: A Case Study of Neixiang County, Henan province], Master Thesis, Shanghai Jiao Tong University, 2009; Xu Jin, "Liangshi yu Zhengzhi: Lun 1956nian Anhuisheng Wuweixian Tonggou Tongxiao de Shishi" [Grain and Politics: A Study of the Implementation of Unified Purchase and Sale of Grain in Wuwei County, Anhui province], *Kaifang shidai* no.7 (2012): 100-110.

²⁵ Two documents from Sichuan are included; they are both from 1955 and thus not of relevance to the Unified Purchase and Sale Policy in that province. Frank Dikotter, *The Tragedy of Liberation: A History of the Chinese Revolution, 1945-1957* (London: Bloomsbury, 2013), 213-223.

This article will investigate the national campaigns and state-building's effect on the local Chongqing market.²⁶ We argue that in the early 1950s, the CCP's state-building policy featured not only violent mass campaigns, but also utilised gradualist strategies to compete with the merchants, achieve influence and finally control the market with state-owned enterprises. By extending the number and power of the state-owned retail stores and increasing the difference of wholesale price of rice and launching the purge campaigns in local grain trade market, the relationship between the authorities and the private merchants shifted from cooperation to competition and, in the end, to suppression. Throughout, this article illustrates merchant and peasant responses and resistance to CCP policy changes in the crucial area of Sichuan.

Implementation of Grain Policy in 1953: Unified Purchase and Sale of Grain Policy

In 1953, Chen Yun's answer to the potent combination of grain and market activity in Sichuan and the counties around Chongqing had been government stabilisation of the market, which would lighten the "bomb" of peasant pressure. The Unified Purchase and Sale of Grain Policy (*liangshi tonggou tongxiao zhengce* 粮食统购统销政策) would force peasants in rural areas to sell all surplus grain (minus tax) to the state, and aimed to distribute state-organised grain to the urban areas.²⁷ A week after Chen's speech, the Unified Purchase and Sale of Grain Policy was launched; it would deeply influence every Chinese citizen's daily life in the following 20 years.

²⁶ Deng Xiaoping, *Deng Xiaoping Xi'nan Gongzuo Wenji*. Deng was promoted to Vice Premier in Beijing after July 1952.

²⁷ “统购统销 (*tonggou tongxiao*)”, is variously translated as “Unified Purchase and Supply” in Shue Vivian, *Peasant China in Transition: The Dynamics of Development Toward Socialism, 1949-1956* (University of California Press, 1980); “Unified Purchase and Unified Sale” in Terry Sicular, “Grain pricing: a key link in Chinese economic policy” *Modern China* 14, vol. 4, 1988, 451-486; “Uniform Acquisition and Distribution” in Shen Xiaoping and Laurene Ma, “Privatization of rural industry and de facto urbanization from below in southern Jiangsu, China.” *Geoforum* 36, vol. 6, 2005, 761-777; “Unified Procurement And Marketing”, in Zheng J. Gao, “1953: The Defining Moment for the Famine--The United Grain Procurement and Marketing System Revisited” *Modern China Studies* 17, vol. 2, 2010, 45-74; “Unified Purchase and Sale” in Julia Strauss, “From feeding the army to nourishing the people: the impact of wartime mobilization and institutions on grain supply in post-1949 Su'nan and Taiwan,” in Cwiertka, Katarzyna J. ed., *Food and War in Mid-twentieth-century East Asia* (Routledge, 2016), 73-92. In this research, we will use “Unified Purchase and Sale” as a working translation, anticipating further debate.

Chen Yun proposed to implement the Unified Purchase and Sale of Grain Policy from the end of 1951. Some local cadres disagreed and asked the central government to delay the implementation time into 1953.²⁸ To a degree, Chen could understand their reluctance. The *tonggou tongxiao* policy, he later recalled, had its roots in the Nationalist Government's grain 'procurement' (*zhenggou* 征购) and 'rationing' (*peiji* 配给) policy. Chen said that those two terms had frightened the peasants and urban citizens— but it was due to the Nationalists' terrible implementation, rather than the idea behind the policy itself.²⁹ Although, after taking national power 1949, Mao Zedong never relinquished his minor obsession with rooting out Guomindang influence, in the case of the *tonggou tongxiao* he was not at all concerned with the appearance or the reality of the CCP's congruency with the old system. Mao supported the Unified Purchase and Sale, with Agricultural Mutual Aid and Cooperation, as the basic policies which would transform the peasantry during the First Five-Year Plan.³⁰ Chen Yun and Deng Xiaoping would be at the forefront of the policy debates and experiments until December 1953, when the central government published the order to implement *tonggou tongxiao*.³¹

Peasant Duties: Campaigns and Agriculture Taxation

Precisely three years prior to the launching of the Unified Purchase and Sale of Grain Policy, on 1 October 1949, Mao Zedong had announced the founding of the People's Republic of China on Tian'anmen Gate in Beijing. At that time the People's Liberation Army (PLA) was still a month away from Chongqing, the famous wartime capital during World War II. The city was taken in late November 1949, and the CCP promptly settled it as the capital of the Great Southwest Area (*Xi'nan qu* 西南区).³² The Central

²⁸ Bo Yibo, *Ruogan Zhongda Juece yu Shijian de Huigu*, 182.

²⁹ Chen Yun, "Shixing Liangshi Tonggou Tongxiao" October 10, 1953, in *Chen Yun Wenxuan*, 203-217.

³⁰ Mao Zedong, "Liangshi Tonggou Tongxiao Wenti" [The Issue of Unified Purchase and Sale of Grain], October 2, 1953. In *Mao Zedong Wenji* [The Collected Works of Mao Zedong], vol.6, ed. Zhonggong zhongyang wenxian yanjiushi (Beijing: Renmin chubanshe, 1999), 295-297.

³¹ Zhonggong dangshi wenxian yanjiushi ed., *Chen Yun Nianpu*, vol.2, 177-182; Deng Xiaoping, "Liangshi Shaozheng Duogou yi Ciji Shengchan" [Purchasing More Grain and Reducing Tax Could Stimulate Production], June 5, 1953, in *Deng Xiaoping Wenji* [The Collected Works of Deng Xiaoping], vol. 2, ed. Zhonggong zhongyang wenxian yanjiushi (Beijing: Renmin chubanshe, 2014), 114-115.

³² *Jiangjin Xianzhi*, 608-615.

Committee of the Southwest Bureau (*Xi'nán jú* 西南局), led by Deng Xiaoping as First Secretary, thereafter took up work stations in the hilly city.

Like Chengdu, Chongqing's celebrated recent past as a Guomindang (or Kuomintang) stronghold and the rear base area made the central government in Beijing very sensitive about consolidating it.³³ In the process of reviving agricultural production and implementing Land Reform in East Sichuan Administration District (*Chuandong xingzhengqu* 川东行政区), the sprawling region which approximates present-day Chongqing municipality.³⁴ The Southwest Bureau and PLA claimed to suppress more than 150,000 Guomindang remnant troops and bandits, engaging in action colourfully known as "Cleaning out bandits and opposing bullies" (*qingfei fanba* 清匪反霸 or *jiaofei fanba* 剿匪反霸).³⁵

In Deng Xiaoping's first report to Beijing on his working in the Southwest, he exhorted his comrades that although the first month of Chongqing's liberation had been a success, a protracted struggle would be necessary outside of the urban centres. "The real war for the Southwest Bureau," he said, "is in the rural areas, in anti-bully actions and in cleaning up bandits" who opposed Land Reform.³⁶ Deng believed that class struggle was of similar importance to economic recovery, or at least that one could not proceed without the other.³⁷ His pragmatic responses in Sichuan were constrained by the need to extract large amounts of grain for military expeditions to Tibet and maintain local fiscal revenue.³⁸ In February 1950, Deng adjusted his stance on the cleaning up of

³³ About Chongqing in the Second World War, see Rana Mitter, *Forgotten Ally: China's World War II, 1937-1945* (Houghton Mifflin Harcourt, 2013); Danke Li, *Echoes of Chongqing: Women in Wartime China* (University of Illinois Press, 2009).

³⁴ Qiu Haidong, "Chuandong Jiaofei Ji," [The Record of Clearing Bandits in East-sichuan], in *Chongqing Wenshi Ziliao* [Chongqing's Cultural and Historical Material] vol.8, ed. Luo Maolin (Chongqing: Xi'nán shifan daxue chubanshe, 2005), 192-209.

³⁵ Wang Di, Chapter 10 "Fall of the Paoge", in *Violence and Order on the Chengdu Plain: The Story of a Secret Brotherhood in Rural China, 1939-1949* (Stanford University Press, 2018), 145-153.

³⁶ For influence on this policy in Sichuan from the Guangdong and Guangxi Province governments, see Zhonggong zhongyang wenxian yanjiushi ed., *Mao Zedong Nianpu*, on January 9, 1951 (Beijing: Zhongyang wenxian chubanshe, 2013), 286-287.

³⁷ Deng Xiaoping, "Zai Zhonggong Zhongyang Xi'nánju Weiyuanhui Diyici Huiyi Shang Baogao Tigang," [Outline of the report on the First Conference of Southwest Bureau Committee], February 6, 1950, in *Deng Xiaoping Xi'nán Gongzuo Wenji*, 89-94.

³⁸ Melvyn Goldstein, *A History of Modern Tibet: The Calm Before the Storm, 1951-1955*, vol. 2, (University of California Press, 2007), 244-264.

bandits and bullies. Deng argued that the government should temporarily jettison the slogan of “anti-bullies” in favour of “cleaning up bandits, producing grain, and completing the charging of agricultural tax” (*jiaofei shengchan, wancheng zhengliang* 剿匪生产，完成征粮). He believed that if the CCP suppressed too many “bullies” in Sichuan now, those same individuals could not be charged grain tax. Class struggle had to relent to economic needs.³⁹

Deng’s worries about the collection of agricultural taxes were warranted. 1949 had been a bad year for tax collection in the province. As a newly liberated area (*xin jiefangqu* 新解放区), the agriculture tax, was charged twice in 1950. This was a matter of substantive difference between Sichuan and provinces like Shanxi or Heilongjiang where the CCP had deeper roots and the party had thoroughly mobilized the masses five, ten, or fifteen years prior.⁴⁰ The additional taxation would make 1950 considerably more pressured in the southwestern agricultural sector. Deng Xiaoping planned for the Southwest Bureau to charge two billion kilograms of agricultural tax in 1950, which in part would be used to feed the two million people employed and captured by the Bureau and pay for administrative expenses. In its national context, Sichuan was responsible for 1.5 billion kilograms of production, which was more than double the Nationalist Government’s old annual agriculture tax.⁴¹ In this task, although Guomintang taxes had not been collected in 1949, the remnants and practices of the state still had their uses.

The unrelenting need for large amounts of grain and the lateness of CCP control over the taxation apparatus meant that Land Reform was not implemented immediately in

³⁹ Deng Xiaoping, “Zai Zhonggong Zhongyang Xi’nanju Weiyuanhui Diyici Huiyi shang Baogao Tigang”, February 6, 1950, 89-94. For a similar assessment from a Western correspondent who appears to have spent time in Guangdong province, see “Land Reform in China”, *The Economist*, June 23, 1951 and June 30, 1951, 1514 and 1570-1573.

⁴⁰ Chalmers Johnson, *Peasant Nationalism and Communist Power: The Emergence of Revolutionary China, 1937-1945* (Stanford University Press, 1962), 84-91; Mark Selden, “Yan’an Communism Reconsidered,” *Modern China* 21, no. 8 (1995): 8-44.

⁴¹ Deng Xiaoping, “Guanyu Xi’nan Qingkuang he Jinhou Gongzuo Fangzhen de Baogao” [The Report of Southwest Bureau’s Work and Afterward Principles], February 18, 1950, in *Deng Xiaoping Xi’nan Gongzuo Wenji*, 99. For comparison with Guizhou Province, see Wang Haiguan, “Guizhou Jieguan Chuqi Zhengshou 1949 Nian Gongliang Wenti Chutan” [Examination of the Charging of 1949 Agricultural Tax during the Early Period of Taking Over Guizhou], *Zhonggong Dangshi Yanjiu* no.3 (2009): 54-63.

the wake of the establishment of the Southwest Bureau. In Sichuan, the CCP took two steps to start Land Reform: first, it charged excess agricultural tax from the main landlords. According to its measures of class identity and production ability, the government thrice charged agricultural tax in 1950 to landlords. Secondly, the new state raised tax rates. The displacement of 1949's annual agricultural tax into March 1950 resulted in rates which ended up being 40% to 60% higher than they had been under the Guomintang.⁴² While taxes were higher under the CCP, in Deng's words, the Guomintang system of *fuyuan* (赋元) was still necessary as a temporary baseline for early CCP taxation in the province.⁴³ *Fuyuan* had been used by the Nationalist Government as the unit of charging agricultural tax from farmers in the Second Sino-Japanese War, and it was calculated according to land acreage and production. Using this basis of measurement, 1950's agricultural tax was charged in August. District governments charged the extra agricultural tax to the main landlords in early 1950 as well.⁴⁴ The fact that the Guomintang had run into significant resistance in 1946-1947 for having demanded that farmers pay back taxes from the War of Anti-Japanese further incentivized the communists to appear to be different from their unsuccessful predecessors.⁴⁵

As if to redeem Joseph Escherick's call for scholarly attention to continuities across the 1949 divide, the CCP necessarily inherited the Guomintang's methods in Southwest China.⁴⁶ Changes would of course be made in the following years. The different nature of Land Reform means that 1951 was a particularly significant year in Southwest China. Southwest Bureau local officials initiated a movement called "Return Deposits and Rent Reductions" (*jianzu tuiya* 减租退押) before collecting the 1951 agricultural

⁴² Jiangjin xianwei, "Xianwei Kuoda Huiyi Jilu" [The Record of the County Committee's Expanded Conference], February 19, 1952. JDA, 0001-0001-00041.

⁴³ Deng Xiaoping, "Guanyu Xi'nan Qingkuang he Jinhou Gongzuo Fangzhen de Baogao," February 18, 1950, 101.

⁴⁴ Cao Shuji and Li Wankun, "Dahu Jiasheng: Jiangjinxian 1950 Nian de Zhengliang Yundong" [Increasing the Levy on Big Families: The Movement of Grain Levies in Jiangjin County in 1950], *Zhongguo Jindaishi Yanjiu* no.4, 2013, 94-109.

⁴⁵ Lu Tzeyang, "Increased Bankruptcy of Rural Economy," April 7, 1947, *Wenhui Bao*. Translated in UK National Archives in Kew Gardens FO 371/63438.

⁴⁶ Joseph Escherick, "Ten Theses on the Chinese Revolution," *Modern China*, vol. 21, no.1, 199, 45-76.

taxation.⁴⁷ Through these two methods, the government increased its hard currency revenues via collection of gold and silver coins, used by landlords to pay their tax debts.⁴⁸ After raising tax rates and distributing land to peasants, the CCP increased the number of taxpayers. However, as the primary fiscal revenue of the communist government, the agricultural tax charged to peasants was limited. According to the central government's published documents, the national average agricultural tax rate was around 20% annually. But in Chongqing, in practical terms, the agriculture tax reached as high as 25.9% in 1951.⁴⁹ The increased agricultural tax had been a sensitive issue for the *ancien regime* and was giving potential dissidents strong grounds for arguing that the Communist Party was not fulfilling its political promises.⁵⁰

Faced with these problems and anxious about scaring the already skittish landlord class, the new regime paid more attention to purchasing grain from the market gradually, especially after excessively charging the agriculture tax in 1951. Jiangjin County purchased 7.54 million kilograms of rice from the market in 1952, exceeding the original purchasing plan by 36.6%.⁵¹ Under the principle of “less tax, more purchase (*shaozheng duogou* 少征多购), a new grain market policy was implemented in the following years.⁵²

⁴⁷ On January 22, 1951, Mao Zedong assessed Deng's work in Sichuan in November and December 1950 and responded to and approved of this approach. In Zhonggong zhongyang wenxian yanjiushi ed., *Mao Zedong Nianpu*, 2013, 286; see also *ibid.*, November 15, 1950, 241-242.

⁴⁸ Deng Xiaoping, “Dangqian Xi'nan Gongzuo de Wuge Wenti” [The Five Issues of the Southwest Governance] July 31, 1950. In Deng Xiaoping, *Deng Xiaoping Xi'nan Gongzuo Wenji*, 216-226. About *jianzu tuiya* in Jiangjin, see Cao Shuji, Li Wankun and Zheng Binbin, “Jiangjinxian Jianzu Tuiya Yundong Yanjiu” [Reduce Rent and Return Deposits Movement in Jiangjin County], *Qinghua Daxue Xuebao (Zhaxue Shehui Kexue Ban)* 28 (4) 2013, 54-69.

⁴⁹ Li Wankun and Cao Shuji, “Liangcang Shichang yu Zhidu: Tonggou Tongxiao de Zhunbei Guocheng: Yi Jiangjinxian wei Kaocha Zhngxin” [Granary, Market and System: Preparations for the Unified Purchase and Sale of Grain Policy Observations Centering on Jiangjin County], *Zhonggong Dangshi Yanjiu* no.3, 2012, 83-93.

⁵⁰ Jiangjin xianzhi bianji weiyuanhui ed., *Jiangjin Xianzhi*, 476.

⁵¹ Jiangjinxian liangshi ju [The Grain Bureau of Jiangjin County], “1952 nian jiang jinxing renmin zhengfu liangshiju gongzuo zongjie” [Summary work of the Jiangjin County Grain Bureau in 1952], December 26, 1952, JDA, 0023-0001-00022. An American intelligence summary noted, almost with weariness, an emerging uniqueness of Chongqing: “As usual, the most extreme examples of failures came from the Southwest and were reported by the Chungking [Chongqing] radio.” See Central Intelligence Agency, “Communist China: Indication of Psychological Vulnerabilities (Monitored Broadcasts Summary of December 13-26, 1951),” January 24, 1952, CREST #CIA-RDP80-00809A000500740016-0. Page 4 of the same report describes removals of cadre from foodstuffs companies in the city due to corruption amid food shortages in December 1951.

⁵² Deng Xiaoping, “Liangshi Shaozheng Duogou yi Ciji Shengchan” [Purchasing more grain and reducing tax could stimulate production], June 5, 1953. In Deng Xiaoping, *Deng Xiaoping Wenji*, vol.2, 2014, 114-115.

Peddlers and Merchants: Cooperation, Competition and Suppression

Taxing landlords and farmers was one matter, controlling grain merchants was another. In the traditional grain trade in Chongqing, there were three main gangs or groups of merchants involved: the purchasers from the Chongqing urban market, grain sellers hailing from agricultural-productive counties, and the itinerant merchants, a vital category which included wholesale merchants and grain peddlers. In Chongqing, the primary type of grain traded in the market by all these groups was processed rice, as distinct from the unhusked rice that prevailed in the markets of East China. Well before the CCP arrival in Sichuan, the selling merchants had invested jointly in mills and organised as groups.⁵³ One example of such collective investment dating back to the Republican era was Baisha Town (白沙镇) in Jiangjin County, a grain trade center that connected the county's market in the upper Yangtze River with the downstream Chongqing urban market. In harvest months, the purchasing merchants from Chongqing city centre would come to Baisha grain market to funnel locally milled grain into their bags and then return to Chongqing to sell it.⁵⁴

In similar grain-producing rural counties around Chongqing, markets existed to collect the grain from farmers and itinerant merchants as well. After collecting and processing the grain, the merchants finally transported it to Chongqing and sold it to local purchasers. Urban merchants with excess capital could purchase the grain in advance before the harvest month of August, for which they could receive 30% discounts. The merchants could order grain from peasants directly, and some loaned the money to farmers to help them buy seeds and manure. After harvest, the farmers paid for the principal on the loan and interest was paid in grain. This highly-networked local economic order had held since Chongqing's opening as a custom port in the 1890, and it was this commercial environment into which communist state-owned enterprises would enter, and ultimately seek to undermine, after 1949.

⁵³ Wei Yingtao, *Jindai Chongqing Chengshi Shi* [The Modern History of Urban Chongqing] (Chengdu: Sichuan daxue chubanshe, 1999), 179-180.

⁵⁴ Jiangjin Xianzhi Bianji Weiyuanhui ed., *Jiangjin Xianzhi*, 432, 438.

The State-owned Grain Trade Enterprise

CCP strategy revolved around central government established state-owned grain trade enterprises (*liangshi maoyi gongsi* 粮食贸易公司) in main cities around China.⁵⁵ The enterprises were established not only in the cities but also around the grain markets in rural counties. These enterprises were directed by the Ministry of Trade before August 7, 1952, then under a new bureaucracy—the Ministry of Grain, which was formed by the State-owned Grain Trade Enterprises and the Grain Bureau (*liangshi ju* 粮食局, which itself was under the Ministry of Finance). These state-owned enterprises traded grain in the market with merchants and peasants as a means of gradually controlling more of the grain resources and manipulating grain prices. By charging agricultural taxes in kind, and by taking over the grain processing mills formerly belonging to the Guomindang, the new communist government could simultaneously obtain a large amount of grain and acquire the concomitant ability to affect grain prices in the market. If the grain price were higher than usual, the state-owned grain enterprises would decrease the price of sale to meet the demand of customers; if the price were lower, then the enterprises would start purchasing grain. The authority was thus both a passive and proactive agent in the local grain markets.

Mobility and cross-border business was also a vital element in private merchants' activity and the CCP efforts to reshape the markets. The transport system was therefore central to state-owned grain trading in Jiangjin County in 1950 and 1951. Addressing labor deficiencies in transport was a key focus of the grain departments when grain procurement work started each year.⁵⁶ As the CCP abolished the traditional silver and gold currency in 1950, grain and cotton prices became vital elements affecting the value of the new currency, the Renminbi. Drawing from experience in Shanghai, licensing of

⁵⁵ The state-owned grain trade enterprises were usually abbreviated to “Grain Enterprises” in archives and published documents. For more information about organizational reform of the Ministry of Grain in 1952, see Li Wankun, “Liangshi Shichang yu Zhengfu Kongzhi: Tonggou Tongxiao de Zhunbeiguocheng, yi Jiangjinxian wei Kaocha Zhongxin, 1949-1952” [The Grain Market and Governmental Control: Preparations for the Unified Purchase and Sale of Grain Policy--a local study of Jiangjin County, 1949-1952], Masters dissertation, Shanghai Jiao Tong University, 2013.

⁵⁶ Jiangjinxian liangshi gongsi [Jiangjin County's State-owned Grain Enterprise], “Chuandong Xingshu Guanyu Muqian Wujia Biangeng de Zhishi” [Instruction for Adjusting Current Price from East Sichuan Administration Office], September 5, 1950, JDA, 0082-0001-00431.

private cross-provincial trade became useful for the CCP during the competition with the private merchants. For the business in provinces, the state-owned enterprises set up regional differential prices (*diqu chajia* 地区差价) as well as the differential price for the wholesale and retail trade (*piling chajia* 批零差价).

The importance of the regional differential price can be seen in the following example, Bishan District State-owned Grain Trade Enterprise's instructions of designated wholesale prices in all markets in the Jiangjin area on 5 September 1950.⁵⁷ If, as we look at Map 1, we imagine the Chongqing urban market as the hub of a wheel, it can be easily seen that the wholesale price of the counties' markets decreased in proportion to the market's distance from Chongqing. Documents by Baisha District Grain Trade Enterprise explain further:

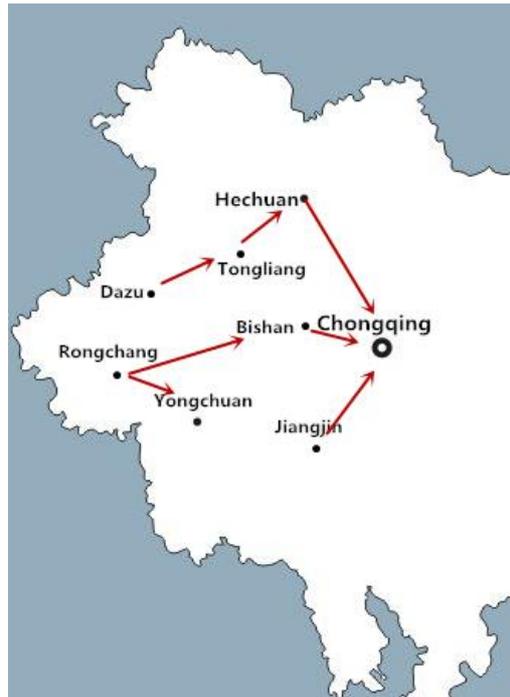
We set up the [grain] price in consideration of the business of private merchants so that grain can flow from the grain production areas to the concentrated consumer market. The grains produced in Hechuan, Baisha of Jiangjin, and Bishan are mainly supplied to Chongqing; the grain produced in Tongliang and Dazu are mainly supplied to Hechuan; and the grain produced in Rongchang are supplied to Yongchuan, Chongqing, and Bishan.⁵⁸

This shows that the state grain enterprise had a bright design and expected to control the grain flowing direction through the regional price differences. (See Map 1). The regional price differentials were designed to make private merchants a tool for the government to regulate the market.

Map 1. A Sketch Map of Grain flows in Jiangjin District

⁵⁷ Bishan District merged with Jiangjin District in 1952.

⁵⁸ Jiangjinxian liangshi gongsi, "Chuangong Xingshu Guanyu Muqian Wujia Biangeng de Zhishi", September 5, 1950, JDA, 0082-0001-00431.



Before the state-owned rural area retail stores and supply and marketing cooperatives were expanded in 1952, state-owned grain trade enterprises cooperated with private merchants to sell rice in rural areas. Merchants bought wholesale rice from state-owned grain trade enterprises in production regions and transported the grains to cities and towns to sell by retail. Merchants' benefits were based on the state-owned enterprises' differential prices, including both the regional and wholesale-retail.

The CCP's relationship with these merchants was not always antagonistic – indeed, it was sometimes harmonious.⁵⁹ In August 1951, the East Sichuan State-owned Grain Trade Enterprise (*chuandong liangshi maoyi gongsi* 川东粮食贸易公司) published a temporary regulation encouraging private merchants to help state-owned enterprises to purchase and sell grain. The enterprise was directed to “actively establish wholesale business relations with cooperatives, private merchants and rural sellers, in addition to going to towns and villages to enlarge [procurement] and marketing.” As the enterprise explained, “We should unite with the private merchants to cover up the insufficiencies of the state-owned enterprises.”⁶⁰ Private merchants could not be targeted for

⁵⁹ Chen Zhenqing, “Socialist Transformation and the Demise of Private Entrepreneurs,” *European Journal of East Asian Studies* 13(2014): 245-249.

⁶⁰ Jiangjinxian liangshi gongsi, “Chuandong Xingshu Shangye Ting Tongzhi” [Notice from the Commerce Department of East Sichuan Administration Office], August 3, 1951, JDA, 0082-0001-00438.

immediate expropriation at a time when they were so evidently needed to make up for state weakness.

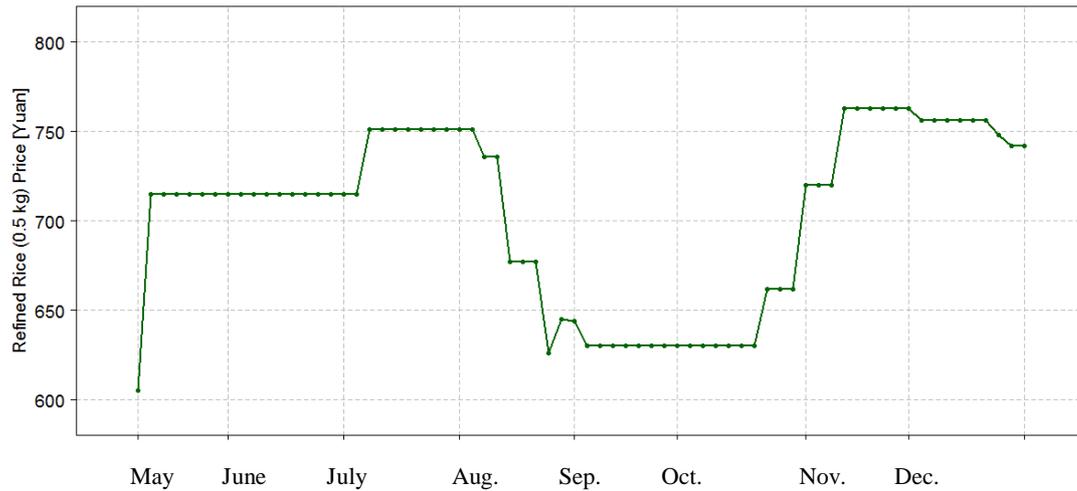
In practice, the purpose of cooperation with private merchants was integral to the development of state-owned businesses. As a document of the Eastern Sichuan State-owned Grain Trade Enterprise further explained, “It is not the goal of our business development to let private merchants act as our purchasing and sales agents, [but] it is a transitional method for temporarily conducting business as we have not yet set up any organs, or have few organs, and our cooperatives and retail enterprises have not been established.”⁶¹ The local government was clear that it was engaging in cooperation with private merchants, but only on a temporary and conditional basis. In 1951, the competition between state-owned enterprises and private capital would become more acute when local governments’ grain storage began to approach a condition of shortage.

In March 1951, the state-owned grain trade enterprise in Jiangjin sold out its rice. Merchants purchased rice in the cities and sold it in the rural areas. When the price in cities was lower than in rural areas, grain would be transported from the cities back to the rural areas and from the urban market to the counties’ primary market.⁶² Generally, the backflow of the grain was a consequence of unstable grain price. We can see the dynamic range of counties’ grain prices in 1951 from Figure 1.

Figure 1: Refined Rice Prices in Jiangjin County, 1951

⁶¹ Jiangjinxian gongshangke [The Industry and Commerce Bureau of Jiangjin County], “1950 nian Xian Zhengfu Guanyu Gongshang Gongzuo de Zongjie Baogao” [Summary Work Report on the Work at Industry and Commerce in 1950], December 1951, JDA, 0009-0007-00385.

⁶² In an early study of CCP price policy, Dwight H. Perkins compares Chinese Unified Purchase and Sale with USSR but more focuses on the cotton production and market, see Dwight Perkins, “Centralization and Decentralization in Mainland China’s Agriculture, 1949-1962,” *The Quarterly Journal of Economics*, vol. 78, no.2 (1964): 208-237.



Grain merchants were one reason behind the fluctuations; namely it was their transportation of rice between different cities. Although the government absorbed the lion's share of the resource, the merchants still could purchase grain from the market. Merchants went directly to peasants' homes to purchase grain, a welcome innovation which decreased the peasants' transportation cost. Furthermore, merchants' rice processing mills could pre-order and give discounts to customers. The chasm in community capacity in this period between the private grain retail stores and state-owned grain enterprises can be seen in a simple statistic from early 1952: Whereas there were 85 private grain retail stores in Jiangjin District at that time (with an enviable cash flow amounting to 240 million yuan), there was only one state-owned grain enterprise store. Indeed, in the whole of China, such state-owned stores numbered only 475 – about enough to satisfy the demand of five or six flourishing counties in Sichuan alone.⁶³

Expanding of State-owned Retail Stores and Reducing the Differential Prices

In 1951, the central government had a debate about the Party's general line for the transition period (*guodushiqi zongluxian* 过渡时期总路线) and the transformation

⁶³ Shangyebu dangdai zhongguo liangshi gongzuo bianjibu [Ministry of Commerce's Grain Work in Contemporary China Compilation Committee] ed., *Dangdai Zhongguo Liangshi Gongzuo Shiliao* [Historical Materials of Grain Work in Contemporary China] (Internal circulation, 1989), 46.

speed to socialism.⁶⁴ Mao Zedong was the primary player, but Gao Gang, Liu Shaoqi, Chen Yun and Bo Yibo each played an important role on the debate of the CCP's strategy.⁶⁵ This central debate had a significant impact on the CCP's attitude to private-state relation and grain policy in Sichuan; indeed, it led to tragedy for the private merchants involved.⁶⁶ In the middle of 1951, the central government initiated to accelerate its expansion of the state-owned retail network by establishing Supply and Marketing Cooperatives in rural areas; the government also started its struggle against private capital. In July 1951, the Jiangjin County government set up the first Supply and Marketing Cooperative. By the end of 1952, Jiangjin had established 17 such cooperatives, two consumer cooperatives and 73 retail stores which quickly occupied the primary market in the rural areas.⁶⁷ The state-owned retail stores were able to quickly take over the business of private merchants, which meant that the government directly traded with consumers. Meanwhile, the central government started to reduce the difference between retail and wholesale prices.

The CCP sought various policies to increase the proportion of state-owned businesses in the broader market; sharp reduction of differential prices by state-owned enterprises was one such tool. According to the Jiangjin County Industrial and Commercial Department (*Jiangjinxian gongshang ke* 江津县工商科), the differential of retail and

⁶⁴ See Bo Yibo, *Ruogan Zhongda Juece yu Shijian de Huiyi* vol.1, 2008, 137-148 and 1930-1937; Liu Shaoqi, "dui Zhonggong Shanxi Shengwei 'Ba Laoqu de Huhu Zuzhi Tigao Yibu de Piyu'" [The comments of Shanxi Central Committee's 'To develop the cooperatives in old liberated area'] July 3, 1951. In Liu Shaoqi, *Liu Shaoqi Lun Xin Zhongguo Jingji Jianshe* [Liu Shaoqi's Discussion about New China's Economy] (Beijing: Zhongyang wenxian chubanshe, 1993), 192-196. Liu Shaoqi, "Chun'ou Zhai Jianghua" [The Speech at Chun'ou Zhai], July 5, 1951. In *ibid.*, 197-222; Zhonggong zhongyang wenxian yanjiushi ed., *Chen Yun Nianpu*, vol.2, 2000, 157-158. Also see research by Lin Yunhui, *Xiang Shehuizhuyi Guodu: Zhongguo Jingji yu Shehui de Zhuanxing (1953-1955)* [Moving Toward Socialism: The Transformation of China's Economy and Society, 1953-1955] (The Chinese University of Hong Kong, 2009), 32-57; Chung Yenlin, "Peng Zhen he Zhonggong Dongbeiju Zhenglun: Jianlun qi yu Gao Gang, Lin Biao, Chen Yun zhi Guanxi (1945-1997)" [Peng Zhen's role in the Disputes of the Northeast Bureau of the CCP and his Subsequent Relationships with Gao Gang, Lin Biao and Chen Yun, 1945-1997], *Zhongyang Yanjiuyuan Jindaishi Yanjiusuo Jikan* 91 (2016): 99-151.

⁶⁵ Chris Bramall has criticized the tendency of scholars to absorb and reflect uncritically the basic narrative structure of the "History of Victors" written by Bo Yibo and his allies after 1979 about these and other important decisions. Chris Bramall, "Review of *Mao and the Economic Stalinization of China, 1949-1953*," *The China Quarterly* 189 (2007): 212-213.

⁶⁶ For ongoing security worries over Sichuan, see *Mao Zedong Nianpu*, vol.1, entries for 30 April 1951 and 16 May 1951 (2013), 332-333 and 340-342. On the conflating in Mao's mind of small capitalists with Guomindang restoration, see Roderick Mac Farquhar, Timothy Cheek, and Eugene Wu, *The Secret Speeches of Chairman Mao: From the Hundred Flowers to the Great Leap Forward* (Harvard University Press, 1989).

⁶⁷ Jiangjin xianzhi bianji weiyuanhui ed., *Jiangjin Xianzhi*, 430.

wholesale prices of grain in Jiangjin in June 1951 was around 7%.⁶⁸ If private merchants and peddlers purchased rice in wholesale from the state-owned grain trade enterprise and sold it by retail in the local market, considering the cost of transport, tax and loan interests, the minimum rate of the wholesale-retail price for them to profit was 7.7%

Table 1: Calculation of the lowest rice wholesale and retail prices per *jin* (0.5 kg) in Baisha Market on 30 June 1951 (*yuan*)

Items		Local retail	Retail in Chongqing
Cost	Wholesale price	715	715
	Transport fee	5	26.3
	Sales tax (3%)	21.5	21.5
	Subtotal	741	762.8
Bank interests		2.58	6.19
Loss (money)		0	1.43
Business expenses	Business tax (2%)	15.39	16.12
	Stamp tax (0.3)	2.31	2.42
	Business expense (1%)	7.7	14.5
	Subtotal	25.4	33.04
Reasonable price		769.72	805.86
Price differential (%)		7.7	11.27

Data source: Reasonable retail price calculation charts of the major grains in Baisha Market on June 30, 1951, regional price differential calculation charts (Jiangjinxian gongshangke, “1951 nian 6 yue 30 ri Baisha Shichang ge Zhongyang Liangshi Lilun Jiage Jisuan Biao,” [Reasonable retail price calculation charts of the major grains in

⁶⁸ Jiangjinxian gongshangke, “Wuyuefen Yewu Zongjie” [The Monthly Report of May], June 2, 1951, JDA, 0009-0007-00404.

Baisha Market on 30 June 1951]; “Diqu Cha’e Jisuan Biao,”[Regional price differential calculation charts] July 3, 1951. Jiangjin District Archives 0009-0007-00404).

If they wanted to wholesale the rice in Jiangjin and sell it to the Chongqing urban market, the minimum differential was 11.27%.⁶⁹ Merchants were, not surprisingly, keen to make money and highly aware of policy changes that would shift costs toward unprofitability. In November 1951, the Southwest Bureau instructed local governments to reduce price differentials, setting specific targets to stabilize the market prices.⁷⁰ The government aimed to reduce the price differentials in a planned manner.

Resistance from the retailers was expected. On 11 November, all merchants closed their rice stores and struck in Tongliang County. The reason for the protest in this county in Jiangjin District was the edict that the differential be reduced from 7% to 6%.⁷¹ The Jiangjin District Government regarded the strike as blackmail. But the government also took advantage of the strike to shut down retail stores. The state-owned grain enterprise promptly opened its own retail stores and sold grain to consumers.⁷² The government had noticed the damage from reducing the wholesale and retail price differential. In the same report, one cadre said the total tax per hundred *jin* of rice was 3947 *yuan*, but the new price differential was only 2500 *yuan*, which made inevitable that merchants would evade taxes. In fact, this illegal behavior gave a pretext for the authorities to clean up the merchants according to the law. Although this action predated the Five-Anti campaign by several months, it did not bode well for merchants.

By late 1951, private merchants were facing trade difficulties, but the government was not *ipso facto* triumphant in its strategy. The reasons for the failure of state-owned retail stores in the southwest were hardly uniform, and not all failures had their roots in overt

⁶⁹ Jiangjinxian gongshangke, “1951 Nian 6 Yue 30 Ri Baisha Shichang ge Zhongyao Liangshi Lilun Jiage Jisuanbiao” [The Reasonable Retail Price Calculation Charts of the Major Grains in Baisha Market on 30 June 1951]; “Diqu Chajia Jisuanbiao” [Regional Price Differential Calculation Charts], July 3, 1951, JDA, 0009-0007-00404.

⁷⁰ The Southwest Bureau’s plan was “the first step was to reduce to 5% by 5 December and the second step is to reduce to 3% by 25 December.” Jiangjinxian liangshi gongsi, “Chuandong Xingshu Shangyeting Tongzhi” [Notice from the Commerce Department of East Sichuan Administration office], December 4, 1951, JDA, 0082-0001-00439.

⁷¹ Shangyebu dangdai zhongguo liangshi gongzuo bianjibu ed., *Dangdai Zhongguo Liangshi Gongzuo Shiliao*, 1989, 140.

⁷² *Ibid.*

resistance. In one county in Yunnan province, the new market was unsuccessful because officials had disregarded local advice and in a place said opened its market by the locals to be frequented by ghosts.⁷³ To recover and revive the market and keep tax income, local governments were trying to adjust the relationship between the state-owned and private business. Looking for solutions in Jiangjin County, the local Commune Office had organized a Private Merchants Joint Operation (*sishang lianying* 私商联营), through which individual grain merchants and peddlers would purchase rice collectively in wholesale from the state-owned grain trade enterprises, so the merchants could sell the rice by retail to reduce costs.⁷⁴

However, such local adaptations were ultimately noticed, and criticised, by the central government and Mao Zedong. On 19 December 1951, the Central Party Committee summarised a report on five kinds of Private Merchant Joint Operations and submitted it to Mao for revision. According to the report, the first three models operated under the leadership of the government and were regarded as qualified and correct for supporting state-owned businesses. The last two models — like the one led by the local government in Jiangjin — were regarded as wrong because they directly competed with the state-owned enterprises in the market. The Central Party Committee believed it was “those groups who were mainly competing with state-owned trade enterprises and cooperatives and resisting state policies with respect to price.” Mao added his own comment on the report: “Those organisations are not illegal ... but if they conduct speculation, smuggling, and tax evasion activities, or mess up the price policies designed by the state, *we will organise our economic powers to conduct a legal struggle against them and win this battle.*”⁷⁵ As Mao considered the tools available to him for

⁷³ Erik Mueggler described how the most critical effect of the Unified Purchase and Sale of Grain Policy “was to make it impossible for residents to continue to buy their grain from dealers. Cooperatives were encouraged to establish grain markets on the sites where traditional periodic markets had once flourished.” See Erik Mueggler, *The Age of Wild Ghosts: Memory, Violence, and Place in Southwest China* (Berkeley: University of California Press, 2001), 169.

⁷⁴ Jiangjinxian gongshangke, “Wuyuefen Yewu Zongjie” [The Monthly Report of May], June 2, 1951, JDA, 0009-0007-00404; Jiangjin xianzhi bianji weiyuanhui ed., *Jiangjin Xianzhi*, 1995, 431.

⁷⁵ Mao Zedong, “Dui Zhonggong Zhongyang guanyu Nongye Daikuan de Sishang Lianying de Yijiangan de Xiugai” [Revised the CCP Central Committee’s Comments on Agricultural Loan and Private Merchants Joint Operation], December 19, 1951, in Zhonggong zhongyang wenxian yanjiushi ed., *Jianguo yilai Mao Zedong Wengao* [Selected Work of Mao Zedong], vol.2 (Beijing: Zhongyang wenxian chubansh, 1988), 602-603. Emphasis added.

fighting private merchants in December 1951, he was clearly taken with the concept of price as an economic tool with which to extend the struggle. As a number of campaigns continued, Mao would soon turn more explicitly to rooting out what he saw as broader abuses of capitalism in the form of the Three-Anti and Five-Anti campaigns.

The Five-Anti Campaign

Both in and around Chongqing, the later months of 1951 were a difficult time. The campaign to Suppress Counterrevolutionaries had already reached the high tide, Tibet consolidation was ongoing, the war in Korea still needed supplies and fresh bodies, and Land Reform was under way. As greater Chongqing approached the two-year anniversary of its liberation, it was clear that the area's remoteness from Beijing would not insulate Chongqing from external political campaigns. In particular, the Three-Anti and the Five-Anti campaigns would make a strong mark in the region. The Three-Anti or *sanfan* (三反) was a movement against corruption, waste and bureaucracy. It was followed the Five-Anti or *wufan* (五反), a movement against capitalist bribery of government workers, tax evasion, theft of state property, cheating on government contracts, and stealing economic information for private industrial and commercial enterprises.⁷⁶

Led by Deng Xiaoping, the Southwest China Bureau was particularly active in its direction of the Three-Anti and Five-Anti Campaigns. Both of the campaigns were launched from large cities and quickly spread outward to the rural counties in Sichuan province.⁷⁷ In late 1951, Jiangjin County was finishing its first round of Land Reform, and the administration was still at the center of the Three-Anti storm. When the central government published a directive entitled "The Indication of Carrying on the Fight of Five-Anti among Big and Medium Sized Cities" (中共中央关于首先在大中城市开

⁷⁶ Michael Sheng, "Mao Zedong and the Three-anti Campaign (November 1951 to April 1952): A Revisionist interpretation," *Twentieth-Century China*, vol. 32, no.1 (2006): 56-80; Yang Kuisong, "1952 Nian Shanghai 'Wufan' Yundong Shimo" [Shanghai's Five-anti Campaign in 1952], *Shehui Kexue* no.4 (2006): 5-30.

⁷⁷ In his study of Tongbai County in Henan in the late 1950s, the historian Cao Shuji found that rural areas often had a delayed response to political campaigns, even though they were hooked up smoothly to national systems of media and propaganda. This question of regional variation needs more investigation with respect to rural Sichuan and the various mass movements of the 1950s. Melvyn Goldstein points toward one way forward in dealing with this question in his work on western Sichuan/eastern Kham; see Goldstein 2007, 244-264.

展“五反”斗争的指示) on 26 January 1952, local government officials of small cities and towns like Jiangjin District had to make a choice. Was their task to continue the Three-Anti Campaign or to initiate the Five-Anti Campaign, a movement which they believed would only be implemented in the big cities? The Jiangjin County magistrate Wang Zhao (王昭) had not thought it necessary to unleash the campaign in Jiangjin, because the county was lacking in cadres and experience. “Five-Anti is more difficult than Three-Anti,” he wrote, further forecasting that the implementation of the Five Anti in Jiangjin would decrease both production and tax revenues.⁷⁸ Wang’s comments were not the speculation of an idle and unmotivated bureaucrat. Quite the contrary, his statements were based on his previous innovative application of the Five-Anti Campaign principles. (His government had tried to launch Five-Anti in two towns, but the results had been disappointing.) After very little delay, Deng Xiaoping acted to obviate the choice faced by county-level officials in Jiangjin, instructing that small cities, too, should launch the Five-Anti Campaign in February 1952. Deng suggested that developing state-owned retail stores and cooperatives could replace illegal merchant activities, saying “even though [the campaign] will affect the market temporarily, it should recover soon.”⁷⁹ Deng’s words underscored the government’s strategy of developing state-owned retail stores to compete with the private merchants. Deng’s swift action was commended by Mao Zedong, and the Southwest Bureau became the model for other area's authorities during the campaigns.

Within two weeks, the Southwest Bureau noticed that the local government in Jiangjin had not paid adequate attention to the Five-Anti Campaign. Deng’s comrades at the Southwest Bureau in Chongqing began prodding Wang Zhao for action. In March 1952, the Jiangjin Committee therefore quickly organised Five-Anti activities in coordination with the Three-Anti Campaign. One month later, the authority had achieved impressive results, and a marked series of defeats for local merchants. In Baisha Town (白沙镇),

⁷⁸ Jiangjin xianwei, “Xianwei Kuoda Huiyi Jilu” [The Record of the County Committee’s Expanded Meetings]. February 19, 1952. JDA, 0001-0001-00041.

⁷⁹ Deng Xiaoping, “Xiao Chengshi ye Yao Jinxing Wufan Yundong” [Launching the Five-Anti Movement in Small Cities as well]. February 1, 1952, in *Deng Xiaoping Xi’nan Gongzuo Wenji*, 486-487. See also *Mao Zedong Nianpu*, vol. 1, entries for February 9 and 11, 1952, 487 and 490.

the key East Sichuan grain market in Jiangjin County discussed earlier, 85 retail grain stores had existed before the Five-Anti (with cash flow amounting to 240 million *yuan*). After the movement, 43 — or more than half — of all grain merchants had closed down or diverted their business. By the end of 1952, only 37 stores were remaining, with cash flows just 16.7% of what they had been one year previously. The number of rice traders and peddlers had dwindled from 128 to 42 in December because most traders had gone bankrupt and become workers. Before the movement, there had been 18 private rice processing mills; 7 mills closed or changed to other businesses after the movement, and only four mills remained at the end of 1952.⁸⁰ In every statistical category, the Five-Anti Campaign in Jiangjin had punished local merchants.

Given the CCP's concern with grain production and harvest, the prime motivation of the Five-Anti campaign in Jiangjin could not have been to disorder the grain market and destroy the grain merchants in the rural areas. But when the inner party anti-corruption movements expanded to the capitalists, the group of grain merchants inevitably became the target of the campaign. Robert Loh's description of the campaign's effects in Shanghai are also apropos for Jiangjin; indeed, once the state-owned enterprises took over the mills, the private grain merchants in Jiangjin lost the market in seconds.⁸¹ Meanwhile, the private grain merchants carried the original sin of having competed with state-owned enterprises as authorities drew up the blueprint of the socialist economy.

Just a week of the invitation of Five-Anti activities in Chongqing, Deng Xiaoping reported to the central government that trade in cities of Southwest China was in trouble. In the city centre of Chongqing, commercial tax revenue dropped 50%. The number of unemployed reached 23,000 in one month, and about 20,000 citizens of Chongqing were in famine conditions because of the shortage of food supply.⁸² Furthermore, in

⁸⁰ Jiangjinxian liangshiju, "1952 Nian Jiangjin Renmin Zhengfu Liangshiju Gongzu Zongjie" [Summary Work of the Jiangjin County Grain Bureau in 1952], December 26, 1952. JDA, 0023-0001-00022.

⁸¹ Loh described it as follows: "Five-Anti was not primarily for the purpose of correcting sins of the capitalists; it was meant to destroy the unity and influence of the class itself." See Robert Loh, *Escape from Red China* (London: Michael Joseph, 1963), 83. *Mao Zedong Nianpu*, vol. 1, entries for February 9, 1952, 487.

⁸² Deng Xiaoping, "Guanyu Chuli Sanfan Wufan Xinwenti de Qingshi" [Asking for Instructions of the Emerging Issues of Three-Anti and Five-Anti], February 22, 1952, in *Deng Xiaoping Xi'nan Gongzuo Wenji*, 490-493.

east coast cities like Shanghai, the lack of goods from the upper Yangtze River provinces caused difficulties as well. On May 5, 1952, Tan Zhenlin (谭震林), acting secretary of the East China Bureau, summarised the consequence of the Three-Anti and Five-Anti Campaigns: “Workers lost jobs; goods were backlogged; prices decreased, and no one dared to take responsibility for it. (工人失业，成品积压，物价下跌，不敢负责.)”⁸³

In November 1952, facing undiminished tension with private merchants, the central government admitted that the “speed of expansion of state-owned retail stores and supply-sale cooperation has gone too fast.” Moreover, in the government’s analysis, the real tension between state-owned and private businesses had been caused by the “incorrect decrease” of differences between wholesale and retail prices.⁸⁴ The authorities thus raised the differences in rice prices back up to 9%-11% in the central city markets of southern China.⁸⁵ But Jiangjin County archives indicated that the local government there emphasised that it would keep the rice whole-retail differential price at zero in the county market.⁸⁶ Having lost the market, the merchants would not be able to resist government pressure.

In January 1953, the New Tax Policy (*xin shuizhi* 新税制) was published.⁸⁷ To add tax income and active markets, the policy aimed to charge the same sales tax to state-owned enterprises and private enterprises. Without the benefit of the discounted sales tax, state-owned grain enterprises and cooperatives had to raise grain prices in order to cover their cost. The Jiangjin state-owned grain enterprise raised sale prices from 720

⁸³ “Zhonggong Zhongyang Guanyu ‘Wufan’ Ding’an Tuibu Gongzuo Deng de Zhishi” [CCP’s Central Committee’s Indication of Verdict ‘Five-anti’ Cases and Compensating] May 9, 1952, in *Jianguo Yilai Zhongyao Wenxian Xuanbian*, vol. 3, ed. Zhonggong zhongyan wenxian yanjiushi, (Beijing: Zhongyang wenxian chubanshe, 1992), 157-160.

⁸⁴ Shangyebu dangdai zhongguo liangshi gongzuo bianjibu ed., *Dangdai Zhongguo Liangshi Gongzuo Shiliao*, 1989, 140.

⁸⁵ Shangyebu wujiaju, [Price Bureau, Ministry of Commerce] ed., *Wujia Wenjian Huibian* [Collection of Price Documentation], General Part I (Internal circulation, 1981), 986.

⁸⁶ Jiangjinxian liangshi ju, “Jiangjinxian Liangshiju Tongzhi” [Notice from the Grain Bureau of Jiangjin County], January 15, 1953, JDA, 0023-0001-00039.

⁸⁷ Bo Yibo, *Ruogan Zhongda Juece yu Shijian de Huiyi*, 2008, 163-164.

yuan per jin in November 1952 to 825 *yuan per jin* in April 1953.⁸⁸ Consequently, the purchasing price in August 1953 raised to 800 *yuan per jin*. Peasants were very sensitive about the rice price during harvest times, and the increase in price attracted them to city markets to sell rice. When the Jiangjin Government investigated grain markets in September 1953, peasants – especially middle and poor peasants – outnumbered merchants and peddlers.⁸⁹

Meanwhile, the Five-Anti Campaign had not only clamped down on the main private entrepreneurs and capitalists, but it also transformed the unemployed and mobile peddlers into an uncontrollable group in 1953. The rising grain prices and the response of mobile peddlers highlighted the need for further socialist reform in the First Five-year Plan, as in Chen Yun's words. The number of the peddlers across broader China in 1954 reached more than 3.5 million, which meant the CCP would struggle to deal with them during the Campaign of Socialist Transforming private enterprises into state-owned enterprises from 1955 to 1956.⁹⁰ Gazing at one “bangbang” man in northern China in 1956, the French journalist Robert Guillain imagined that the government had mobile peddlers across the country firmly under its control and omniscient regulation.⁹¹ But while the party had a clear strategy for co-opting industrialists in cities like Shanghai, the large numbers of small peddlers would be a more difficult task.⁹²

⁸⁸ Jiangjinxian liangshi ju, “Jiangjinxian Liangshiju Tongzhi” [Notice from the Grain Bureau of Jiangjin County], January 15, 1953, JDA, 0023-0001-00039.

⁸⁹ Jiangjin xianwei, “Guanyu 1953 Nian Shangbannian Liangshigong de Zhuangkuang he Yijian” [About the situation and suggestion of the grain work in the first half year of 1953], September 10, 1953, JDA, 0001-0001-00112.

⁹⁰ Feng Xiaocai, “Shehuizhuyi de Bianyuan Ren: 1956 nian Qianhou de Xiaoshang Xiaofan Gaizao Wenti” [The marginal man of Socialism: the transformation of peddlers], in *Zhongguo Dangdai Shi Yanjiu* [The Research of Contemporary China History] vol.3, ed. Han Gang (Jiuzhou chubansh, 2011), 3-45.

⁹¹ Robert Guillain, “China after Six Years: III- The Far West,” *The Manchester Guardian* (1901-1959), Feb 8, 1956. “I come across a furniture-mender in an alley. He is a wandering crafts-man and his entire stock is suspended in one or two boxes from a bamboo pole across his shoulders: that is his shop. Look a little closer. At one end of the bamboo hangs an unusual object: it is the fellow's permit or street-trader's licence. It is covered with all sorts of red stamps issued by the police and tax officials, bears the holder's name and civil calling, and even shows an identification photograph. This shows just how far from Peking and from Peking and how low in the social strata the Government exercises control.”

⁹² Feng Xiaocai, “Shehuizhuyi de Bianyuan Ren: 1956 nian Qianhou de Xiaoshang Xiaofan Gaizao Wenti,” 3-45.

Conclusion

Recent research on the early 1950s in China tends to use the “revolution and campaigns” paradigm, emphasizing the political structures and cultural practices of the campaigns, largely leaving economic aspects of state building to an earlier generation of observers. But we believe that a more granular debate over agricultural policy and the Party’s outlook on grain markets in particular can yield benefits to scholars. This study shows that from the end of 1949, the Southwest China Bureau gradually increased its control over the grain market by cooperating with private grain merchants. In July 1951, finishing the first round of Land Reform in newly liberated areas, the central government launched the next step of its state-building strategy, which accelerated the speed of transformation to nationwide socialism, and turned its grain market policy toward an increasingly confrontational line. Ultimately during the Five-Anti Campaign, merchants’ processing factories were expropriated, and private grain merchants were eliminated. The newly established Ministry of Grain thus represented a victory for the state-planned economy in rural areas. By 1953, the bankrupt merchants and newly unemployed workers had joined the class of grain peddlers, becoming a threat to party authority. Chen Yun and Deng Xiaoping’s approach to this issue reflected both national tensions and local aspects since Sichuan province was being quickly shaped into a supplying area for the national planned economy in the following decades.

Jiangjin archives show the CCP’s grain policy and market control strategy from the bottom level. The archives reflect how, in the early 1950s, CCP state-building policy not only featured violent mass campaigns, but also employed gradualist strategies to compete with the merchants, achieve influence, and finally control the market with state-owned enterprises. In just a year and a half, from mid-1951 to the end of 1952, the CCP expanded its state-owned retail stores, decreased the differential price of wholesale and retail, launched the Three-Anti and Five-Anti Campaigns and reorganised the administration of grain policy. The intensive and strategic policy towards the grain market hinted at the momentous changes and traumatic consequences for Sichuan in the following years.

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Wankun Li 李婉琨 is a Ph.D. Candidate in Chinese history, School of History, University of Leeds. This article is drawn in part from her master dissertation on grain policy in Chongqing from 1949-1953. Her other research interests include wartime economy, land reform and ethnic minorities in Chinese border regions, with an emphasis on the Southwest China. She rewarded her MA from Shanghai Jiao Tong University. For her publication information, please visit

<https://leeds.academia.edu/WankunLi>

Dr. Adam Cathcart is a lecture in Chinese History, School of History, University of Leeds. With the primary research interest in Chinese-North Korean relations, the Korean War and Sino-Japanese relations, Dr. Cathcart has published peer-reviewed articles in *Journal of Cold War Studies*, *Journal of Korean Studies*, and *Twentieth-Century China*, and won the Gordon White Prize from *China Quarterly* in 2010. He is the editor of the *European Journal of Korean Studies*. <https://adamcathcart.com>