THE OVERSEAS CHINESE AREAS OF RURAL GUANGDONG AND
SOCIALIST TRANSFORMATION, 1949-1956

by

GLEN PETERSON

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Department of History

The University of British Columbia
1956 Main Mall
Vancouver, Canada
V6T 1Y3

Date October 10, 1986
Abstract

This thesis examines the socialist transformation of rural China between 1949-1956 within a particular local context: that of the Overseas Chinese areas of rural Guangdong. It proceeds from a theoretical discussion of the various perspectives and works which have informed western understanding of this period in recent Chinese history, with special emphasis on the need to penetrate beyond China-wide generalizations and cultivate an informed sense of local differentiation. With a view to such, the thesis focusses upon the Overseas Chinese areas of rural Guangdong, which represent at once one of the most significant social realities of South China, as well as one of the Chinese Communist Party's most intractable historical inheritances.

The social and economic legacies of mass emigration are first described, and the reader is then introduced to the Party's emerging contradictory view of the Overseas Chinese after 1949. The heart of the thesis examines the conflict and tensions of promoting socialist transformation in the Overseas Chinese areas coincident with the promulgation, beginning in 1954, of a series of privileges for domestic Overseas Chinese
(returned Overseas Chinese and family dependents) aimed at attracting investment and remittances to the PRC.

It is argued that socialist transformation in the Overseas Chinese areas of Guangdong was characterized by a deep-seated ideological uncertainty and confusion surrounding the proper role and status of domestic Overseas Chinese in socialist society. The "united front" aims of domestic Overseas Chinese policy clashed directly with the class-based aims and strategy of socialist transformation, producing not only ideological uncertainties, but considerable bureaucratic confusion on the ground as well. As a group, it is argued, the domestic Overseas Chinese were particularly poorly equipped and ill-disposed to participate in the newly emerging socialist rural order.
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### Abbreviations

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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACROCA</td>
<td>All-China Returned Overseas Chinese Association</td>
</tr>
<tr>
<td>APC</td>
<td>Agricultural Producers' Cooperative</td>
</tr>
<tr>
<td>CB</td>
<td>Current Background</td>
</tr>
<tr>
<td>CCP</td>
<td>Chinese Communist Party</td>
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<tr>
<td>CNS</td>
<td>China News Service</td>
</tr>
<tr>
<td>DGB</td>
<td>Dagongbao</td>
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<tr>
<td>ECMM</td>
<td>Extracts from China Mainland Magazines</td>
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<tr>
<td>FJRB</td>
<td>Fujian ribao</td>
</tr>
<tr>
<td>GMRB</td>
<td>Guangming ribao</td>
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<tr>
<td>GZRB</td>
<td>Guangzhou ribao</td>
</tr>
<tr>
<td>HK</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>MAT</td>
<td>Mutual Aid Team</td>
</tr>
<tr>
<td>NFRB</td>
<td>Nanfang ribao</td>
</tr>
<tr>
<td>OCAC</td>
<td>Overseas Chinese Affairs Commission</td>
</tr>
<tr>
<td>RMRB</td>
<td>Renmin ribao</td>
</tr>
<tr>
<td>SCMP</td>
<td>Survey of China Mainland Press</td>
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<tr>
<td>WHB</td>
<td>Wenhuiibao</td>
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excellent facilities and resources.

Finally, my greatest thanks go to Christine, to whom this thesis is dedicated.
INTRODUCTION

The aim of this study is to assist in establishing a sense of local differentiation with respect to the Overseas Chinese areas of rural Guangdong during the period of the socialist transformation of rural China, 1953-1956. The period of the rural socialist transformation is of major significance in the history of the People's Republic. Within the space of a few years the vastly populated Chinese countryside was utterly transformed, from a land of peasant private producers into a socialist society, wherein agricultural production was organized on a collective basis and most forms of private property abolished.

Yet, this is a period and a transformation which has been little studied by western scholars of China's recent past: until now there has been only one English language monograph devoted entirely to the subject, Vivienne Shue's 1980 *Peasant China in Transition.*

Likewise, the Overseas Chinese areas of rural Guangdong constitute one of the most important and distinctive features of that province's "complicated" rural socioeconomic landscape, but a feature which has been

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2 On the distinctive and complicated features of the
little studied for the period since 1949. Estimated in the early 1950's at approximately 11 million returned Overseas Chinese (guiguo huaqiao) and Overseas Chinese family dependents (huaqiao juan), concentrated overwhelmingly in the two southeastern coastal provinces of Guangdong and Fujian, the "domestic" (guonei) Overseas Chinese constitute not only one of the most significant social realities of South China, but also one of the CCP's most complex and intractable social inheritances. Therefore, the domestic Overseas Chinese factor must, of necessity, figure prominently in any concerted effort to comprehend and assess the nature and results of the CCP's post 1949 experiments in "directed change" as these effected South China -- and in particular rural Guangdong where the vast majority (8 million) of the domestic Overseas Chinese are found. Thus far, there have been no previous attempts to analyze how socialist transformation was experienced in the domestic Overseas Chinese areas of rural Guangdong.

The rural domestic Overseas Chinese are distinguishable from the general peasant population

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(cont'd) rural socioeconomic landscape of Guangdong as these pertained to communist development efforts after 1949, see David F. K. Ip, "The Design of Rural Development: Experiences from South China, 1949-1976" (unpublished Ph. D. Dissertation, University of British Columbia, 1979).
upon the basis of their generally superior wealth, strong and consequential "overseas connections" (haiwai guanxi), their dependence on overseas remittances as a primary source of livelihood, a widespread unwillingness or inability to engage in agricultural production, and the age and sex composition of the dependent population (in the 1950's mainly women, elderly and young children).

It is particularly interesting and worthwhile to examine the domestic Overseas Chinese areas in the context of the rural socialist transformation, because this period coincides with the erection and demise (by 1957) of a policy of privileged status and treatment for domestic Overseas Chinese, aimed at securing the financial and moral support of the domestic and external huaqiao and their dependents. The various privileges accorded to domestic Overseas Chinese were designed to provide them with a degree of protection, if not immunity, from the radical social and economic levelling which socialist transformation entailed.

The policy of privileged treatment clashed however, with the goals and rationale of socialist

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transformation. This led to widespread infringements upon these privileges, considerable ideological and bureaucratic confusion over how to deal with the domestic Overseas Chinese during socialist transformation, and, by 1957, a significant backlash of peasant resentment towards the domestic Overseas Chinese.

The thesis advanced here is that during socialist transformation the domestic Overseas Chinese in rural Guangdong were the victims of deep-seated ideological uncertainty and confusion surrounding their proper status and role in socialist society. The "united front" aims of the domestic Overseas Chinese policy formulated during this period clashed directly with the class-based aims and strategy of rural collectivization, producing not only ideological uncertainties, but considerable bureaucratic confusion on the ground as well. Because of their "special characteristics" (tedian) -- dependence on remittances, lack of family labour power, unwillingness or inability to engage in agricultural production, etc. -- the domestic Overseas Chinese as a group proved to be particularly poorly equipped and ill disposed to adapt and participate in the new rural socialist order.
The picture that emerges of socialist transformation in the Overseas Chinese areas of rural Guangdong contrasts remarkably with the national picture of socialist transformation presented in most western accounts. Most western descriptions of the socialist transformation of rural China stress the swiftness and relative ease of collectivization in China and its essentially nonviolent character. Comparisons are usually drawn with the earlier, much less successful Soviet experience at collectivization (marked by widespread peasant resistance and extensive bloodshed and loss of life).

In the Overseas Chinese areas of rural Guangdong, the movement retained its essential nonviolence, but in no way could it be characterized as a smooth and relatively easy transformation. In these areas, the movement was wracked by problems and difficulties pertaining to the "special characteristics" of the domestic Overseas Chinese.

Many of the factors commonly cited to explain the national success of collectivization, such as carefully managed class struggle, abundant CCP organizational

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experience and familiarity with rural conditions and problems, and carefully designed material incentives, were either absent, or else at odds with the realities and interests of the domestic Overseas Chinese. Thus it will be argued here that such instruments as class struggle, and reliance on the will and interest of the poor peasant majority were factors contributing not to the success but rather to the confused difficulties of achieving socialist transformation in the rural Overseas Chinese areas of Guangdong. In attempting to show how a complex of ideological, economic and social variables conspired to place the aims and strategy of socialist transformation on a collision course with those of domestic Overseas Chinese policy, this thesis is intended to convince the reader of the difficulties pertaining to socialist transformation in the Overseas Chinese areas in rural Guangdong.

It is the position of this paper that western approaches to understanding "directed change" in the PRC have in the past suffered from an impoverished sense of local differentiation. Insufficient attention has been paid to the importance of local factors. This has on the whole hindered the ability of western scholarship to achieve a full sense of the enormous diversity of conditions in China, and consequently from
forming a sound knowledge of the diverse and variegated local results of national movements such as socialist transformation. Alert to the conditions and consequences of our own diversity, we would question automatically any interpretation of a given Canadian federal policy which suggested its impact was undifferentiated in Newfoundland as opposed to southern Ontario, or Quebec and Saskatchewan. China too is vast and diverse, containing within it innumerable social, economic, cultural and other divisions -- which ought to make nationwide generalizations a problematic and risk-laden enterprise. Yet, so far western understanding of the socialist transformation of rural China rests primarily upon the foundation of nationwide generalizations, with little sense of local differentiation. There are several important reasons for this, each of which deserves some discussion.

Vivienne Shue's *Peasant China in Transition* illustrates the generalization versus local differentiation dichotomy as an academic problem related to the methodological and intellectual aims of social scientific research. Shue's study of the rural socialist transformation focusses upon the two central Chinese provinces of Hunan and Hubei. The aim of the study however is not to establish a sense of local
differentiation with respect to the course of the movement in these two areas. Her motivation for focussing on Hunan and Hubei is rather precisely the opposite. As she states, her decision reflected instead "the need to confine the relevant data base to a manageable. size." Moreover, her choice was guided by a concern for the "typicality" these provinces represented, not for any uniqueness they might possess. Shue's argument is that "Even if generalizations about the whole of China are most often of little value, it should not be necessary to take refuge in a case study approach...If there is no such thing as a "typical" Chinese province, then we can at least choose to look at those provinces...which seem to possess no peculiarities or special problems automatically tending to distort (emphasis added) their experiences and to prejudice our findings".

One could it seems, with good reason, question the wisdom and the utility of persisting in the quest for readily generalizable (on a national scale) findings, if, as she herself admits, such generalizations are "most often of little value." And if indeed -- as she herself again suggests -- there may be "no such thing" as a "typical" Chinese province, then would it not make

\[5\text{Shue, p. 9.}\]
\[6\text{ibid.}\]
more sense to view the situations in the various localities as part of an essential diversity of experience, rather than as somehow "distortions"? There are those who would take the opposite stance, that before we can begin to know what is "typical" on a national scale, we must first make every effort to make ourselves aware of the various and important local differences, and then proceed to construct generalizations upon that basis. Otherwise, all-China generalizations are bound to rest on a hollow foundation.

In focussing upon the Overseas Chinese areas of rural Guangdong, the concern of this study is rather more close to that of Richard Madsen in his recent acclaimed work on the dichotomies and interplay between peasant village morality and official communist morality. As Madsen says of his peasant village in Guangdong: "I am not as concerned with what makes the residents of Chen Village themselves "typical" of all other people in China as with what makes them particular and individually unique."  

Vivienne Shue's study of the socialist transformation of rural China falls within the range of

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a broader historiographic trend in the western study of the Chinese Communist movement, since the time the CCP established its first rural base in the rugged and remote Jingganshan area on the borders of Jiangxi in the late 1920's. Western scholars have long been impressed -- and rightfully so -- with the remarkable and unparalleled success the Chinese Communists have historically shown in attracting peasants to their cause (and, as some have argued, in adapting the Party to peasant causes). This in turn has inspired a long line of scholarly efforts to discover and explain (in some cases to explain away) the reasons for the Chinese Communists' success. From Robert Guillain's 1957 theory of the "blue ants" to Chalmers Johnson's 1962 thesis of "peasant nationalism," Mark Selden's 1971 "Yenan Way" in revolutionary China, to the work of Roy Hofheinz and a host of other monographs, there has been a longstanding preoccupation among western scholarship to discover the true ingredients of the Chinese Communists' formula for success.

This approach, and the assumptions upon which it is predicated, have carried over and influenced analyses of the rural transformation which occurred after 1949. Thus, at the core of Vivienne Shue's

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8 In the process, scholars have sometimes overlooked some important differences in the post-1949 situation.
analysis of socialist transformation are the "Seven Elements of the CCP's Success in Rural Transformation" which form the main themes that run throughout her study. Perhaps the most crucial of the elements she identifies are the development and management of class struggle in the village, and the material incentives for poor peasants which were built into the various economic reforms introduced during socialist transformation. Shue identifies these as the most important contributors to the success of the movement nationwide. According to her, "The main strategy of the revolutionary government was to promote and manage village political conflict along class lines -- different classes at different times -- consistent with the degree of change that could simultaneously be effected in the economic environment of the peasantry." And, "the heaviest element by far in the mixture of appeals to peasants to move toward socialism was the element of material self-interest woven by the Party into most of its policies for the period".

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*(cont'd) As Graham Johnson has recently pointed out, "Rural development policy was created during the Yenan period. It was obliged to compete after Liberation with a broad national development policy that owed as much to Soviet understandings as to those which developed indigenously." Unpublished paper presented to the 1986 annual conference of the Association for Asian Studies, Chicago, March 1986, p. 2. *Shue, p. 321-333.
Shue's peasants are "rational actors" actively pursuing their own self-interests and responding more readily to material appeals than to normative appeals based on socialist principles. "Peasants tended to favour or oppose joining cooperatives depending on their perceptions of the political situation in the village and on their perceptions of their own economic alternatives, as independents operating within the evolving realities of labour supply, market and credit structures, tax incentive systems, and so on." 10 Thus, to take an example, as the government squeezed private usurers and at the same time made available easy credit to peasants, peasants tended naturally to favour credit cooperatives for loans. Shue's steady and determined emphasis on the important role of such mundane institutions as supply and marketing coops, credit coops, tax reform etc., is, on the whole, welcome and appreciated, insofar as it provides a worthy contrast to views which dismiss peasants as mere passive and compliant recipients of state commands.

But the policies and institutions Shue emphasizes were definitely not elements counting towards a smooth success of the socialist transformation of the Overseas Chinese areas. Many of these policies

10ibid., p. 3.
actually had an adverse affect on the domestic Overseas Chinese population because of the peculiarities of their socioeconomic existence -- lack of labour, dependence on remittances, etc. -- irregardless of their class status and interests. Developing and managing class struggle in the Overseas Chinese villages was excruciatingly difficult, in part because the class status of domestic Overseas Chinese was complicated and difficult to determine on the basis of the usual criteria. After land reform it was admitted that most of the Overseas Chinese landlords were wrongfully classified, because of the confusion caused by their "special features" (tedian). Perhaps most critically, class struggle clashed directly with the "united front" aims and strategies of domestic Overseas Chinese policy. Study of the domestic Overseas Chinese areas therefore provides an interesting and significant local exception to the explanation Shue offers for the general success of rural socialist transformation based on her examination of a more "typical" case example.

The effort to achieve an informed sense of local differentiation has also been hindered by the influence, until recently, of a "totalitarian" perspective on the relationship of state and society in the PRC, and in communist states in general. Entire
books have been written on the subject of what constitutes "totalitarianism", and I do not wish to enter into this debate here. Rather, it is sufficient for my purposes to use the term somewhat loosely, as one writer recently has, as referring to the "exclusive concentration (and outreach) of power within a political system, and to its organizational consequences". The preoccupation with political power and its organizational expression has been characteristic of many western works on the PRC, particularly those which date from the 1960's when the totalitarian perspective was at the height of its acceptance and popularity.

The totalitarian perspective makes two unwarranted assumptions: one concerning the relative passivity of peasants; the other concerning the omnipotence of state power. Both assumptions are false, but have gained credence in the past from a tendency to equate official statements of policy aims with the actual results achieved by those policies in the localities themselves.

Recently both these assumptions have been challenged if not completely refuted by empirical evidence.

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evidence originating at both ends of the political and social spectrum. On the one hand, political scientists have discovered a degree of "pluralism" in the Chinese elite which previously was presumed not to have existed. The outbreak of the Cultural Revolution was, in some respects, the first complete exposure western observers received to the deep rifts within the Chinese political elite, and it effectively demolished the myth of monolithic Party and state power. Thanks to the efforts of sociologists and anthropologists (including recent fieldwork in China) the legitimacy of the assumption concerning the passivity of peasants has also been refuted. Sociologists who have scrutinized rural localities at close quarters have presented us with a picture of peasants as active agents, engaged in the making of their own history -- not mere recipients of state orders. The outstanding pioneering work by sociologists William Parish and Martin Whyte was a monumental path-breaking effort in forging the beginnings of a new and far more textured understanding of the relationship of state and society in the PRC.\textsuperscript{12}

Two recent additions have also added immensely to this knowledge: the work of Anita Chan, Richard Madsen and

Jonathan Unger: Chen Village: The Recent History of a Peasant Community in Mao's China, and Madsen's aforementioned Power and Morality in a Chinese Village. While the totalitarian view emphasizes the ability of the omnipotent political system to "penetrate" and "control" local society, Madsen makes the interesting and provocative claim that social order in the PRC countryside has rested not so much on totalitarian conquest as it has on an accommodation, uneasy at times, between the ideology of the communist state and the interests of Madsen's local "communist gentry," whose moral basis of authority reflects the deep influence of old-society Confucian village morality.

Promising as these new orientations and insights may be for analyzing current situations and future developments, our present understanding of the early years of the People's Republic remains coloured, however, by earlier works which, unfortunately, bear all too clearly the imprint of a totalitarian perspective.

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14 Madsen, p. 248.
Franz Schurmann's classic *Ideology and Organization in Communist China* is a book which in many ways has set the terms and parameters for western discussions of the relationship of state and society in the PRC. In retrospect, Michel Oksenberg made no exaggeration when he claimed, shortly after the book's release, that "Schurmann has pointed the way; he has identified the key problems and lines of inquiry which will heavily influence all future research in the China field."¹⁵ It would indeed be difficult to overestimate the enormous impact this monumental work has had on scholarly thinking about the PRC over the past twenty years.

The single most important motif which runs throughout Schurmann's book is the ability of the communist state to assert its dominance over society through the promulgation of ideology and the creation of organizational structures of control. Schurmann's thesis is that years of internal chaos, war and revolution destroyed the traditional Chinese social system, creating a "social vacuum" which the Chinese Communists have filled with the twin forces of ideology and organization. "Social systems take time to build

up, once destroyed, a long period of time must elapse before one can say that a new social system has arisen. During the interval, organization pulls and holds society together. Organization must now do for society what earlier had been done by the social system. Thus, communist China resembles "a vast building made of different kinds of brick and stone...What holds it together is ideology and organization."  

In the new rural China which Schurmann describes, held together by ideology and organization (the chapter entitled "Villages" deals, in the author's own words, with "the imposition of organization on society") one is hard pressed to discover any vestiges or lingering influences -- political, social, cultural or economic -- of the pre-1949 historical past. It is indeed as if the revolution actually did create a total social vacuum, as Schurmann claims it did. But Schurmann himself acknowledges the essential unreality of this when he observes, in the Prologue, that "in preparing the manuscript I was repeatedly impressed by how little Chinese it appears to be. Where is China in all these processes?"

One of the aims of this study is to "locate China" -- or more precisely, one important aspect of China --

16 Ibid., p. 1, iii.
17 p. iii.
in the post-1949 period, by examining how the CCP has attempted to deal with one of its most difficult historical inheritances. Schurmann does not even mention the Overseas Chinese problem in the PRC -- despite the fact that this was a major ideological and organizational problem for the CCP, as the following essay will show. The ideological and bureaucratic confusion in the domestic Overseas Chinese areas challenges the totalitarian proposition concerning the omnipotent power of ideology and organizational structures of control in the PRC.

In an important review of *Ideology and Organization* which appeared more than twenty years ago, Professor Fairbank described the problem presented by this book in the following way. *Ideology and Organization*, said Fairbank, "represents the revolutionary leaders' efforts in the central apparatus rather than the results they may eventually achieve in the daily life of the people in their localities."  

Moreover, Fairbank goes on to say, in the study of China there is an important historical dimension to the observable tendency to equate central aims with local results. It may be that contemporary western scholars have continued to be misled by the old dynastic myth,

propounded over centuries by China's dynastic overlords -- and embraced anew by the Chinese Communists in their twentieth century nationbuilding efforts, of the essential oneness and unity of the Chinese realm. It is a myth descended from the holistic view of China which was an integral feature of the old court-centered approach to history. Official dynastic historians "stressed the imperial aim more than the various and particular results...like the imperial administration itself, their works generally remained superficial to the diversity of local conditions."\(^1\) And studying organization as it has been attempted by the Chinese Communists turns out, we are told, to be not too different from studying the imperial edicts of old: "the goals are announced, but the local responses often remain obscure."\(^2\)

Thus the totalitarian perspective popular in the 1960's gained its strength in part with the help of the historical myth of the essential unity and oneness of the Chinese realm; a myth enthusiastically promoted by dynastic rulers and their court scribes who were responsible for official history, and embraced anew by CCP nationbuilders and those responsible for constructing the official history of national movements.

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\(^1\)ibid. , p. 665. \\
\(^2\)ibid. , p. 669.
such as collectivization. It is somewhat ironic, to say the least, that official CCP sources embodying this myth should be counted as evidence in support of a very unsympathetic if not downright hostile view of the CCP's efforts to change society.

Ezra Vogel's *Canton Under Communism* approaches the subject of state and society from the point of view of local responses to central initiatives, and for this reason his work does not suffer from the same problem of equating central aims with actual local results which besets *Ideology and Organization*. Vogel is concerned, especially, with the problem of "localism" (*difang zhuyi*, a familiar problem commonly referred to in official Chinese Communist parlance). For the period of the early 1950's he offers the fullest account available of the sources of "southern resistance" to the imposition of central control. In his discussion of land reform Vogel documents the unwillingness of local cadres and peasants to engage in class struggle because of the overriding strength of kin loyalties, and he describes the massive infusion of "northerners" necessary to complete the task of land reform.\(^{21}\)

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In another respect, however, Vogel's work, which was published around the same time as Schurmann's, resembles *Ideology and Organization*. Both authors share an overriding concern with the ultimate strength of the political system and its ability to assert its hegemony over society; both authors are ultimately concerned with what has made possible the political triumph of the totalitarian state. Thus Vogel entitles his closing chapter "The Political Conquest of Society," and in it stresses the historically unprecedented strength of the CCP political system to "control and transform society." Not surprisingly Vogel does not embark on any sustained discussion of the Overseas Chinese areas, where the political system -- at least during the period of the rural socialist transformation -- could be better described as being "out of control". Vogel's excellent discussion of land reform emphasizes "southern resistance" to the outreach of centralized political control -- but his discussion contains no references to the ideological confusion within the political system itself over how to deal with the Overseas Chinese population in Guangdong.

The following essay then is an attempt to establish a sense in which the Overseas Chinese areas of rural Guangdong stood apart during the period of the
rural socialist transformation. Chapter One is a brief background chapter. It sets out the aims, rationale and strategy for achieving the socialist transformation of the countryside, and examines the debate over its pace which culminated with the implementation of rapid collectivization in the summer of 1955. The second chapter explains the historical legacies of overseas migration in terms of the huaqiao relationship with China and the evolution of the special features of the Overseas Chinese home areas. It then goes on to consider the CCP's response to the domestic Overseas Chinese problem: the contradictory image of the huaqiao and the emergence in 1954 of a policy of special privileges for the domestic Overseas Chinese. Chapter Three then analyzes the effects of land reform and the imposition of compulsory grain deliveries on the domestic Overseas Chinese, showing how the domestic Overseas Chinese were adversely and sometimes unfairly affected by these two intermediary steps on the road to eventual full collectivization. Chapter Four analyzes the participation of domestic Overseas Chinese in collectives and the special problems they encountered at this stage. The chapter ends with an analysis of the inherent weakness of domestic Overseas Chinese policy during the period of rural socialist
transformation. In the conclusion, an attempt is made to sum up the findings of this study and relate their significance for our historical understanding of the socialist transformation of rural China.
CHAPTER 1: The Economic and Political Background to Socialist Transformation

The socialist transformation of rural China began officially with the proclamation on October 1, 1953 of the 'general line for the transition to socialism,' which coincided with the commencement of the First Five Year Plan for national development (details of the Plan were not made public until two years later, in mid-1955). According to the 'general line', the transition to socialism in the countryside was to be a three stage process. First, peasants were to gain experience in cooperative farming by joining huzhuzu (Mutal Aid Teams, MAT), to be generated initially on a seasonal, then permanent basis. MATs averaged 6-20 families each. The next higher stage involved MATs combining to form 'semi-socialist' nongye hezuoshe (Agricultural Producers' Cooperative, APC), wherein agricultural production was performed on a cooperative basis, but private ownership of land and other inputs was retained. Remuneration within APCs was on a dual basis, partly according to labour contributed, calculated in work points (gongfen), and partly on the basis of land and capital contributed, calculated in terms of membership shares. The size of APCs varied as
the campaign progressed, but by December 1955 averaged about 40 households each. The final stage called for several APCs to merge to form shangji nongye hezuoshe (Advanced APC) or full collectives. In 1956 Advanced APCs averaged 246 households and were usually coterminous with the natural village (cun). By 1957 they were reduced somewhat, to an average of 164 households. The former APCs became production brigades within the Advanced APCs. Collectivization was basically complete by December 1956, when 90% of peasant households nationwide (89% of peasant households in Guangdong) were formally enrolled in Advanced APCs.

Goals and Rationale

Serious disagreement arose during the course of the campaign concerning the pace and sequence of collectivization vis a vis the development of the productive forces of industry. But so far as available sources reveal, between 1953-56 the CCP was united in the vision that collectivization represented the desired destiny of the peasant economy under socialism. In embracing the goal of collectivization, the CCP partook of a near universal commitment shared until
recently by the international communist movement as a whole under Soviet leadership.\textsuperscript{22} Collectivization, as the only means of overcoming the limitations of the "small producer" economy and mentality (described originally by Marx, and later referred to by Lenin as giving birth to capitalism and the bourgeoisie "daily, hourly") has long been one of the great shibboleths of twentieth-century revolutionary Marxism. It has also been the source of great economic and political difficulty in those states which have attempted to implement collectivization. Jack Gray recently has described collectivized agriculture as being the "Achilles heel" of most modern socialist revolutions.\textsuperscript{23}

Collectivization was an integral part of the total Stalinist package adopted by the Chinese Communists during the early 1950's. The Chinese could not openly criticize Stalin; but they were not unaware of the horror Soviet collectivization entailed. As Maurice Meisner aptly puts it, "it was more out of ideological

\textsuperscript{22}The Yugoslavs were among the first, in the early 1950's, to abandon this commitment to collectivization, and their action in this regard can be cited as one of the factors in the breakup of the Soviet-led world communist movement.

timidity than historical ignorance that Chinese communists made only the veiled references to those horrors; they could hardly denounce Stalin's methods of agricultural collectivization at the same time they were pursuing his path to industrialization, quite apart from the general ideological and political consideration that made it impossible to be openly critical of Stalin."²⁴

From the Soviet experience of collectivization the CCP drew two lessons, one concerning the problems of rapid collectivization, and the other concerning the consequences of collectivization too long postponed. The danger in rapid collectivization was that it could, as in the Soviet experience, precipitate a drastic loss in agricultural production, as angered and disoriented peasants resisted with the only weapons available to them: slaughter of livestock and draught animals, withholding of production, and other forms of passive resistance. On the other hand, delaying collectivization indefinitely meant risking the emergence of a powerful and firmly entrenched kulak-type class of rich peasants whose interests were strictly opposed to collectivization. The Chinese,

again, were not unaware that Stalin had decided liquidation of the *kulaks* was the only means of overcoming their opposition.

It was in order to avoid these two kinds of attendant risks that the Chinese Communists emphasized the need for a step by step, gradual transition to full collectives, with peasants learning and appreciating the benefits of cooperative farming at each intermediate step along the way. Moreover, the CCP repeatedly stressed that advancement had to proceed according to the principles of 'voluntariness' and 'mutual benefit'.

In practice, however, the actual course of the movement did not closely adhere to the principle of a step by step advance. Instead, the progress of the movement followed the rhythm of policy shifts at the center, so that in the final analysis implementation resembled more closely a series of mass campaigns than it did a process of step by step rational advance. In the end, the majority of Chinese peasants made the transition directly from private producers to members of full collectives, without the benefit of intermediary stages.\(^{25}\) Unlike the Soviet

\(^{25}\)Kenneth R. Walker, "Collectivisation in Retrospect: The Socialist 'High Tide' of Autumn 1955-Spring 1956," *China Quarterly* 26 April - June 1966). Parish and Whyte note that in many of the localities they studied, the
collectivization however the Chinese transformation was accomplished largely without bloodshed, and without a catastrophic decline in agricultural production.²⁶

The goal of collectivization was not pursued for ideological reasons alone, or merely because collectivized agriculture was part and parcel of the total Stalinist package imported into China during this period. The Chinese Communists perceived that collective agriculture would yield numerous economic, social and political benefits. ²⁷ Politically, collectivization represented a further step in consolidating the lines of control running from the highest state echelons to the basic production units in rural society. And, in theory at least, collectivization was to produce tangible benefits for

₂⁵(cont'd) transition from APC to Advanced APC occurred so rapidly that no share payments were ever made. Village and Family, p. 32.
the peasantry which would further strengthen the CCP's political support base in the countryside. Finally, by constituting a further step in the progressive "protetarianization" of the peasantry, collectivization was hailed as strengthening the "worker-peasant alliance" (gongnong lianmeng) in socialist China. The perceived social benefits of collectivization were those associated with greater and better welfare provided by collective units, and the march towards full social equality occasioned by the abolition of most forms of private property. Perhaps most importantly from a sociopolitical standpoint, collectivization came to be seen as a solution to the problems of resurgent class exploitation and polarization in the aftermath of land reform (see below).

From an economic point of view, collectives appeared to be superior economic units compared to the family farm. The unit was larger and employed more labour, permitting specialization and an increased division of labour, thereby in theory promoting greater efficiency. Larger units of production would also generate economies of scale, and a more effective use of scarce agricultural implements was possible. The collective was capable of mobilizing labour on a large
scale for public works. The formation of collectives was also credited with bringing into production a significant amount of land which previously had gone to waste as boundary space separating the innumerable scattered plots of individual peasant families. Finally, it was also argued that large units of production would facilitate the introduction of mechanized farming.\textsuperscript{28}

A collectivized rural economy also yielded certain economic advantages to the state, in the form of greater control over surplus and agricultural decision-making. According to Alexander Eckstein, "one of the purposes of collectivization was to facilitate the imposition of a high rate of involuntary saving on agriculture, either through increasing taxes and/or through manipulating price relations between agricultural and non-agricultural goods in such a way that the farming sector was forced to sell "cheap" and buy "dear".\textsuperscript{29} The statistical data collected during collectivization also provided the central government

\textsuperscript{28}However it is also true that as time progressed and it became clear that agricultural production was lagging behind the requirements of the First Five Year Plan, Chinese planners - and the more so Mao - began increasingly to view institutional transformation of agriculture as a substitute method of raising production, in place of increasing the level of industrial inputs. See Eckstein, p. 51.

\textsuperscript{29}Eckstein, p. 51.
with a much sounder and more detailed knowledge of the rural economy, facilitating the incorporation of agriculture into the national Plan. With an accurate knowledge of the conditions of the rural economy the state could, with greater confidence, exert an increasing degree of control over levels of agricultural output and the crop mix (through the manipulation of state purchases and taxes, and through the use of direct commands, for example to 'take grain as the key link'); whereas to undertake such tinkering with the rural economy without a sound knowledge of its workings would be to invite the risk of engendering chaos and disruption. Furthermore, collectivization, by creating larger and thus fewer accountable units, simplified the collection of taxes and state purchase quotas. Previously, the state had to make collections from individual peasant households, but under the collective economy tax quotas and production targets were assigned to collectives, not individuals, and the collectives themselves then assumed responsibility for meeting the tax and commodity grain obligations of their member households.

The Chinese Communists then, foresaw substantial economic, political and social benefits in collectivized agriculture. Yet, at the outset,
collectivization was seen by the Party to be a rather distant goal — Mao himself had estimated in 1949 that it would take at least the equivalent of three Five Year Plans to achieve the necessary level of industrialization before socialist agriculture could be established. This position drew strength because it reflected the orthodox Marxist conception of the relationship between social change and economic development, the view that socialist relations of production presupposed a society of industrial plenty. On a more practical level it was believed, initially, that collectivized agriculture in order to be feasible required a certain level of mechanization, which depended in turn on the prior development of industrial capacity.

At the outset these orthodox views enjoyed paramountcy within the Party, and as a result a cautious and gradual approach to rural socialist transformation prevailed — until July, 1955 when Mao, apparently breaking ranks with the majority of the Party leadership, came out as the strongest advocate for a rapid and immediate collectivization of the countryside. What accounts for this transformation in Mao's thinking? In order to understand the change in Mao's thinking on this issue, and to grasp the enormous
historic significance that change has had for socioeconomic development strategy in China, it is necessary to examine the First Five Year Plan for national development and especially the place of agriculture within it. Much of the debate which emerged over the pace of collectivization in China centered on the Plan's expectations of the rural sector and the burdens the Plan imposed. An understanding of agriculture's designated role in the Plan is, therefore, basic to understanding how the drive for collectivization evolved in China.

Agriculture and the First Five Year Plan: The "Peasants Burden"

Under the First Five Year Plan, China came closest to exemplifying the Stalinist development strategy. According to Alexander Eckstein this strategy can be broken down into seven major objectives. First, there is an unbreachable commitment to high rates of economic growth. Second, such economic growth is to be concentrated in the industrial sector. Third, within the industrial sector the emphasis is on the development of heavy industry. Fourth, the above three

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30 Eckstein, p. 50-51.
objectives demand that there be a high rate of savings and investment. Fifth, the development of industrial capacity is to be at the expense of agricultural development. Sixth, there is to be institutional transformation in agriculture and other sectors of the economy. Finally, there is a preference for capital intensive industrial technology. Eckstein maintains that "at least to some degree, China's economic development encompassed all these elements within the framework of the First Five Year Plan."

The Chinese First Five Year Plan of 1953-57 was closely modelled on the earlier Soviet First Five Year Plan of 1928-32 in nearly every respect, except that the Chinese Plan targeted for (and achieved) even higher rates of growth in the critical heavy industries of steel, coal, oil, chemicals, electric power and heavy machinery. In fact, Chinese growth figures for the First Five Year Plan surpassed even their own original estimates. Maurice Meisner sums up the success, and the cost, of this not inconsiderable

\[31\] ibid., p. 51.

\[32\] The Plan originally projected an average per annum economic growth rate of 14.7%. The achieved figure however was closer to 18% (16% according to some more conservative western estimates). By contrast, official Soviet statistics claim an annual growth rate of 18% between 1928-32, but most western analysts place the figure more in the range of about 12%. Meisner, p. 123, 138. Official Chinese statistics are given in Ten Great Years, (Peking: Foreign Languages Press, 1960), p. 87.
achievement in this way: "the First Five Year Plan provided China with a significant and stable modern industrial base, even though it was still a tiny one compared with the advanced industrial countries. But this success was not achieved without social and economic costs, and the major costs were borne by China's 500,000,000 peasants -- for the industrialization of the cities was based largely on the exploitation of the countryside." Alexander Eckstein is in agreement (as are most observers) with this assessment of the First Five Year Plan, and he too points to China's peasants as the major victims of Stalinist industrialization. "In terms of its effects", says Eckstein, "the Stalinist strategy represented a pattern of industrialization at the expense of agriculture." Chinese commentators themselves have acknowledged, if somewhat gingerly, the burden foisted upon the backs of Chinese peasants by this pattern of industrialization. Recently Xue Muqiao, a noted Chinese economist, looked back upon the period of the First Five Year Plan and had this to say about the relationship of Chinese peasants to state-sponsored rapid industrialization. "Speedy industrial construction requires a large sum of

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33 Meisner, p. 124.  
34 Eckstein, p. 53.
accumulation fund. Before heavy industry develops on a large scale, the main source of state accumulation can only be agriculture and light industry which depends on agriculture for raw material. But the state must not take too much from the peasants and squeeze them too hard. This is a problem we have not solved well."\(^{35}\)

The First Five Year Plan was designed to rapidly increase the accumulation fund by exploiting the agricultural sector in several ways: through agricultural taxes, pricing structures which undervalued farm products and overpried industrial and consumer goods sold in the countryside, thus forcing peasants to "sell cheap" and "buy dear", and through state monopolization of the trade in grain and other essential agricultural commodities. As Edgar Wickberg has pointed out, leaning heavily on the agricultural surplus to finance industrialization is a strategy not unique to communism or confined to the PRC; it has been used in many countries, including, for example, Taiwan.\(^ {36}\) The main difference in China lies in how


\(^{36}\)In an article comparing land reform on the mainland and on Taiwan, Wickberg shows how in both cases one of the main purposes was the same: to free up and mobilize the peasant's surplus to serve industrialization goals. To mobilize the rural surplus the Guomindang government in the early 1950's even introduced a compulsory delivery system similar to that on the mainland. See Edgar Wickberg, "Land Reform in Mainland China and
these pressures imposed upon China's impoverished peasants were interpreted by the Party, and with what results. In particular, two important corollaries of the industrialization strategy adopted by the First Five Year Plan stand out for the debate they generated within Party circles.

In the first place, the industrial priorities of the Plan were to be accomplished at the expense of a steady increment in peasant living standards. There was a direct trade off between peasant consumption and the requirements of accumulation, which did not fail to arouse a controversy in the form of a debate, beginning in late 1953, over the "question of the peasants' burden" (nongmin fudan wenti) during the transition to socialism. From this debate, which was closely followed by the Party's main theoretical journal for cadres, it appears there was one group within the Party, probably relatively small, particularly at the Plan's outset, which was categorically opposed to according state priority to the development of the heavy industrial sector. Alongside this group was another group which, while not opposed in principle to the priority of heavy industry, insisted that the burden imposed on peasants by the First Five Year Plan

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36(cont'd) Taiwan" Peasant Studies 4 (Fall 1978): 259-260.
was too heavy and had to be reduced at any cost. Opposed to both these groups were the proponents of the Plan's strategy, who countered with an economic argument. While acknowledging that the "peasant question" was indeed the most difficult aspect of adapting Marxism to agrarian societies; nevertheless, they asserted, it would be false and deliberately misleading to view the problem in moral terms alone, and to argue, as opponents of the Plan were doing, that the only solution was for the state to relax its demands and to exercise a more "benevolent rule" (renzheng) over the country's peasants. Those who demanded that the state exert more benevolence in its rule were in fact not only issuing a moral condemnation of the state's treatment of peasants; they also were putting forward an economic policy position -- since in the lexicon of traditional Chinese political philosophy from which this term was borrowed the benevolent (ren) ruler was one who presided over a state that was non-interventionist, and who believed strongly that the people would prosper the most when the state weighed lightest upon them. The proponents of the Plan believed however that the salvation of peasants and the prosperity of the countryside depended not on the state unilaterally relaxing its demands, but
on peasants increasing their income. And the only way to do this, they maintained, was for peasants to increase agricultural production.\(^{37}\)

Making increased agricultural production -- and not the "peasants' burden" -- the central issue bore directly on the second important corollary of the Plan's strategy, which was that the agricultural sector was to grow by financing its own development. That is, the bulk of state investment funds were allocated to industrial development; there was to be no diversion of these funds to aid in agricultural development. Under the terms of the First Five Year Plan, less than 10% of state investment funds were allocated to the agricultural sector. \(^{38}\) At the same time, the Plan called for a 23% increase in agricultural output, including a 17.6% increase in food grain production to feed the growing industrial proletariat.\(^{39}\) The insistence that agriculture finance its own development and that of industry as well, without any substantial help from state coffers, gave rise to a further debate within the Party over the sequence of rural


\(^{38}\) Meisner, p. 141.

\(^{39}\) ibid., p. 142, 161.
collectivization and mechanization.\textsuperscript{40}

From the history of the Soviet Union, the CCP drew the lesson that mechanized collective farming was the optimal method of raising agricultural production. It was generally accepted that to be both viable and attractive to peasants, mechanization had to precede the formation of collectives. Indeed, the assumed role of tractors in promoting and consolidating socialist agriculture had reached near myth-like proportions. An earlier Soviet commentator, for example, had described the tractor as "not only a good means of mechanized cultivation of land, but also the best cooperator. It creates the basis for cooperation in the sphere of production. It is the first and best builder of socialism."\textsuperscript{41} By 1932, two years after collectivization began in the USSR, about half of all collective land was plowed by tractors.\textsuperscript{42} By contrast Chinese leaders in the early 1950's estimated it would take twenty-five years to accomplish agricultural mechanization. Accordingly, the First Five Year Plan called for the slow growth of cooperative farming, over a period of unspecified duration.

\textsuperscript{40}The most thorough account of the debate over mechanization and collectivization is to be found in Stavis, p. 58-71.
\textsuperscript{41}Cited in Stavis, p. 44.
\textsuperscript{42}ibid., p. 44.
But faced with the disheartening prospect of slow agricultural mechanization, and mounting pressure to increase agricultural production, some Chinese leaders, Mao among them, began to advance the proposition that collectivization, in order to be feasible and desirable, did not have to await mechanization. Collectivization could actually speed up mechanization, because collectivization itself would provide the boost in production necessary for industrial development to proceed, which in turn would establish the conditions for the early application of machines to the agricultural process. This revised view of the sequence of collectivization and mechanization had a crucially important implication: agricultural growth (and by extension industrial development) was now pegged firmly as a function mainly of social revolution, rather than material inputs.

By 1955 the two greatest problems confronting the Chinese state in its effort to fulfill the First Five Year Plan were the sluggish growth in agricultural production and the capacity of the state to procure and supply sufficient stocks of grain.\(^3\) By the fall of 1954 it was becoming clear that agricultural growth

rates were not keeping pace with the planned rate of industrialization under the Plan. By early 1955 it was starting to appear as though the rate of industrial growth could not even be maintained, much less increased, at the current level of agricultural production. And already the state had encountered fierce peasant resistance to grain collections, including the looting of government granaries during the grain supply crisis of spring, 1955 - a warning of political fallout besides the threat to industrial growth targets. In short, what was needed was a revolution in agricultural production.

It was under these conditions, of stagnating agricultural production and a mounting threat to the industrial growth targets set by the First Five Year Plan, coupled with increasing economic hardships among peasants, that the CCP split between February and July 1955 over the pace of agricultural collectivization. In a forceful article Lo Zicheng argued that the main effort ought to be concentrated on "consolidating" (gonggu) existing collectives rather than establishing new ones. These critics of a fast approach (led, apparently, by Liu Shaoqi), who argued that "developing was easy, but consolidating is difficult" (fazhan

ibid. 
rongyi gonggu nan), pointed out that a great deal of wastage and slowdown in agricultural production was resulting just from poor management and organization of the existing APCs; an inevitable situation, they said, given the acute shortage of trained and experienced personnel, and the experimental nature of the entire effort. As the Party debated the issue, there is evidence suggesting considerable dissolution of collectives across the country between February and July 1955: accounts range anywhere from 20,000 to 200,000 MATs and APCs dissolved on the orders of Deng Zihui, the party's top rural strategist.

"Spontaneous Capitalism" and the Resurgence of Rural Inequality after Land Reform

On the sociopolitical side however, collectivization was coming to be seen, increasingly, as representing salvation from a number of social ills either potential or visible since land reform. Most of these were related directly to the so-called "four freedoms" preserved by land reform: freedom to buy, sell and rent land; freedom to hire labour; freedom to

\footnote{\text{\textsuperscript{45}}Lo Zicheng, "Guanyu nonye hezuoshe gonggu de gongzuo," \textit{Xueyi} 6 (June 1955): 5-8.\textsuperscript{46}Stavis, p. 58.}
lend money; and freedom to trade on the private market. Under these conditions it was "inevitable that the rural economy, if left to govern itself, would generate traditional forms of exploitation and reproduce old patterns of inequality." Uppermost was a concern that this would lead to a repolarization of socioeconomic classes in the countryside, a development that could threaten to undermine the political support of the Communists' natural constituency in the rural areas, the masses of poor peasants who constituted the majority population in most villages. Numerous field surveys conducted since land reform seemed to confirm fears within the Party that the countryside was headed for a repolarization of social classes unless collectivization intervened.

Collectivization, as the great social and economic leveller thus came to be regarded by some within the Party -- and especially by Mao -- as a kind of panacea for the kinds of problems just enunciated, the best way to assure permanent social and economic equality among peasants and retain the political support of the great majority of them.

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48 Meisner, p. 141.
In his famous speech of July 31, 1955, directed over the heads of the Party leadership to a conference of provincial Party secretaries, Mao intervened drastically in the debate over collectivization, resolving it in favour of rapid and all-out full collectivization. Resembling a single massive electrical jolt, Mao's speech initially produced a state of paralysed shock within the Party. The shock is evidenced by the fact that following the speech the Party's main theoretical journal for cadre consumption, Xuexi, which up until now had favoured the consolidation approach, remained totally silent on the entire subject of agricultural cooperation for a period of several months. It responded finally not until October, 1955 -- only after Mao's decision had been ratified by a specially convened Plenum of the Central Committee. There then followed a flurry of articles extolling the 'correctness' of Mao's speech and calling for its rapid and whole-hearted implementation.\(^9\)

In his speech Mao expressed the conviction that deepening and quickening the social revolution would produce the economic results needed to break out of the

\(^9\)Mao's speech is reprinted in Xuexi 11 (October 1955), alongside the October 11th Central Committee "Resolution Concerning the Question of Agricultural Cooperation." An English translation of Mao's speech appears in CB 364, and the official English edition is reprinted in Bowie and Fairbank, p. 94-105.
conundrum created by the requirements of the First Five Year Plan. He also dwelt extensively on the question of a polarization of classes in the countryside and the 'spontaneous tendencies' towards rural capitalism which, in his view, only rapid collectivization could overcome.

The question of whether economic pressures or sociopolitical concerns were the more important factors in promoting Mao's decision is an intriguing one. On the one hand, according to Maurice Meisner, "as the building of a modern industrial order tended to become the overriding goal, rather than the means to achieve socialist ends, economic productivity and the ability of the state to extract an increasing surplus from the rural economy tended to become the criteria for determining the utility and value of agricultural cooperation." Yet, on the other hand, Mao appeared at least equally as convinced that the masses of Chinese peasants were yearning for socialism, that they were being held back by slow-moving and overly cautious Party members who 'tottered along like women with bound feet,' and that there was a real and ominous danger of a polarization of rural classes if collectivization did not intervene to halt growing

Meisner, p. 150.
inequality. Many peasants had emerged from land reform imbued with the spirit of the (then) officially sponsored slogan of "setting up a household and making a fortune" (fajiazhifu), and Mao was determined to eradicate the rich peasant mentality which seemed to him to afflict many peasants, rich and non-rich alike. To support his case, Mao could cite a number of rural surveys which revealed significant levels of socioeconomic inequality. According to one such survey conducted in 1954, the average poor peasant household had an annual income of 490 yuan, compared to 775 yuan for middle peasant households and as much as 1300 yuan for rich peasant households. While some recent western studies have argued that in the years following land reform there was no empirical evidence of a trend toward greater class polarization and that, on the contrary, the only empirically observeable trend was toward greater "middle peasantization," nevertheless it remains a fact that the possibility of such was a fear on the minds of some -- and especially Mao, who

51 Nolan, p. 203. Other examples are cited in Stavis, p. 54.56.
was definitely as much concerned by questions of values and mentality as he was by empirically observeable trends.

In the final analysis, what is most important to recognize in Mao's speech is the extent to which economic goals and sociopolitical concerns mingled and were interwoven. It is precisely this aspect of Mao's speech -- the call to erect a strategy for fusing social revolution and economic growth -- which was most historically significant and consequential for the future course of Chinese development. Maurice Meisner identifies Mao's July 1955 speech as no less than heralding the appearance of "Maoism" as a distinctive strategy for socioeconomic development for the first time on the post 1949 historical scene.53

The strategy which Mao invoked to achieve rapid collectivization was a reiteration of the strategy which had formally guided the socialist transformation all along -- only now it was applied with much more rigour and enthusiasm and invested with infinitely more political consequence. Mao's July speech did not mark the inauguration of class struggle as a weapon for accomplishing social and economic change in socialist China, but it did constitute the enshrinement of this

53Meisner, p. 148.
concept, to a stature possibly higher than it had ever previously received in CCP history.

The class-based strategy for achieving collectivization called for Party and local cadres to make common cause with and unite the poor peasants and lower middle peasants who made up the majority of the rural populace. According to Mao and other rural strategists, it was in the material self-interests of this majority to "take the socialist path". Therefore, in pressing for collectivization the Party could, in theory, count on the automatic support of at least 60-70% of the rural population. Rich peasants were to be progressively isolated during the course of the collectivization campaign; just as landlords were the main class target of land reform rich peasants were the principal class targets during collectivization. They were to be progressively "frozen out" as the movement for forming collectives developed. Rich peasants (along with former landlords) were not to be allowed to join APCs within the first two years of their operation, in order to ensure that APCs would become consolidated in the hands of the poor and lower middle peasant majority.5a

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5a See Model Regulations for an Agricultural Producers' Cooperative, (Peking: Foreign Languages Press, 1956). On the CCP's class-based strategy for achieving socialist transformation, and the management of class
By any measure, Chinese peasants responded enthusiastically to Mao's call, in a manner which seemed to confirm Mao's populist faith that most peasants had an active desire to take the socialist road. No matter that many collectives were established hastily, nearly overnight, and that some existed in name only: the amazing speed and essentially voluntary and largely non-violent character of the movement was sufficient to silence even Mao's most cynical critics, for the time being. In the weeks and months which followed Mao's speech -- the so-called "high tide" of collectivization -- the movement to establish full collectives proceeded with a swiftness that astonished even Mao (not to mention his staunchest critics), rapidly outstripping the upwardly revised targets Mao himself had set in the July speech. No one foresaw then that within little more than a year, by December, 1956, Mao would be able to proclaim the "transition to socialism" in the Chinese countryside "basically complete".

The swiftness of the campaign overall is not evidence of an effortless transformation in the rural localities themselves. As the following chapters show, 

54(cont'd) struggle in the villages, see Shue, p. 7-8, 18, 29-30, 274, 288, 324-326, 337-341.
the collectivization of agriculture in the Overseas Chinese areas of rural Guangdong followed a troubled and problematic course, marked by ideological confusion and uncertainty, and an uneasy and ultimately unsuccessful alliance between the class-bound strategy of collectivization and the "united front" aims of domestic Overseas Chinese policy.
CHAPTER II: Chinese Socialism and the Contradictory Image of the Huaqiao

The Historical Legacies of Emigration

The Overseas Chinese areas of rural Guangdong represent one of the most distinctive and unique features of that province's "complicated" socioeconomic landscape. The rural Overseas Chinese areas historically were (and still are) distinguishable upon the basis of their strong personal and economic links with the outside world (haiwai guanxi, 'overseas connections'), marked differences in wealth and social status, sources of income and livelihood, and, in some cases, even, differences of language and culture. Ezra Vogel describes the weight of the Overseas Chinese presence in rural Guangdong in the following terms. "The villages scattered throughout the Kwangtung countryside, with greater wealth, with more elaborate homes and modern public buildings, are the communities with particularly close ties to Overseas Chinese. Although few of these Overseas Chinese adopted foreign religion or abandoned Chinese ways of thought, their presence has contributed to knowledge of foreign technology, to the spirit of scientific inquiry, to
modern specialized organizations, and to outlets for foreign trade.\textsuperscript{55}

The large and significant Overseas Chinese presence which confronted the Chinese Communists in South China during the early 1950's (approximately 11 million returned Overseas Chinese and Overseas Chinese family dependents, according to PRC estimates) represented the historic legacy of several centuries of Chinese peasant emigration from the overcrowded southeastern coastal provinces of China, mainly to Southeast Asia and, to a lesser extent, the Americas, Caribbean and Pacific Islands and scattered other parts of the globe.

Historically, the bulk of overseas emigration originated from three main areas in South China: the western portion of Guangdong's Pearl River Delta and the adjacent siyi (four counties) area, collective name for the four counties of Kaiping, Enping, Xinhui and Taishan which lie to the west of the delta region; eastern Guangdong including Meixian and Chaoshan counties, and Southern Fujian; and, finally, the northeastern tip of Hainan Island.\textsuperscript{56}

\textsuperscript{55}Vogel, p. 21.

\textsuperscript{56}On the distribution of Overseas Chinese communities in Guangdong, see Liang Rencai, \textit{Guangdong jingji dili}, (Beijing: Kexue Chubanshe, 1956).
Eastern Guangdong and southern Fujian were the sources of the earliest Chinese emigrants. Since the fifteenth century at least, Chinese peasants had regularly departed this area via the port cities of Swatow, Amoy and Foochow following well-established junk trade routes to Southeast Asia.\(^{57}\)

Mass migration did not begin until well later, in the mid 19th century. It developed in response to twin pressures: a burgeoning demand for cheap labour to build the railroads and to work in the mines and plantations of Southeast Asia and the Americas, and a mounting internal rural crisis which by 1850 had reached desperate proportions due to the confluence of several factors. As the authors of one recent study have written, "Chinese migration is very much a product of the major forces that have shaped modern Chinese history -- population pressure, political weakness and disruption, foreign intervention, and a series of natural catastrophes."\(^{58}\) Peasants of the overpopulated Pearl River delta and the adjacent siyi area were one of the main sources for the human cargo which made up the infamous "coolie" trade in indentured labour (from


the Chinese *kulī*, 'bitter strength' of the late 19th and early 20th centuries. As the coolie trade subsided, mass migration continued in the form of so-called "chain migration", whereby families and relatives joined previous migrants.\(^5\) Mass emigration eventually eventually ground to a halt with the imposition of restrictions and bans on Chinese immigration to North America (for example the Chinese Exclusion Act of 1923 in Canada), and to Southeast Asia when the Second World War and the Japanese occupation intervened.

Over this period of nearly a century of mass emigration, the home areas (*jiaxiāng*) of the emigrants gradually evolved distinctive demographic and socioeconomic features which clearly set them apart, in many respects, from the rest of the Chinese peasant world of which they remained nonetheless a part.\(^6\)

Demographically, the home areas of emigrants gradually evolved to contain a preponderance of women, elderly, and young children. \(^6\) Until well into the 20th century, it was common practice for only able-bodied males to migrate, in part because some

\(^5\)Ibid., p. 5.
\(^6\)Fitzgerald, p. 4.
countries refused entry to Chinese females so as to discourage the formation of permanent Chinese communities. But of equal importance, it was, outwardly at least, generally regarded that migration would be of temporary duration -- a sojourn abroad in the hope of amassing a personal fortune before ultimately returning to one's jiaxiang. Hence the origin of the Chinese term used historically to describe these emigrants: the huaqiao or "Chinese sojourners".\textsuperscript{62}

Many huaqiao, of course, never returned, and many too left their jiaxiang with the intention of not returning. Those who went abroad, however, tended to preserve tangible links with their jiaxiang. One of the most important of these was the link of regular remittances for the support of family dependents.

The remittance link historically has been of enormous importance, whether looked at from the perspective of individuals, local economies or even the national economy.\textsuperscript{63} In 1957 it was estimated that remittances formed the primary or sole source of income and livelihood for as many as one-third of the

\textsuperscript{62}The evolving usage of this term is discussed in Wang Gungwu, "External China as a New Policy Area," \textit{Pacific Affairs} 1 (Spring 1985). See also Fitzgerald, p. x.

\textsuperscript{63}On the importance of remittances to Guangdong in the pre-1949 period, see Yao Chengyin, \textit{Guangdong sheng de huaqiao huikuan}, (Shangwu yinshuguan, 1943).
country's then more than 10 million Overseas Chinese family dependents. In these cases family dependents often were either unwilling or unable (because of age or physical capacity) to engage in agricultural production themselves. Furthermore it was not uncommon for entire village economies to be near totally dependent on the uninterrupted flow of remittances. As well, remittances had historically performed a valuable function in helping offset the national balance of payments deficit. No less for the communist government after 1949, remittances continued to be viewed as an important source of foreign exchange earnings. According to Fitzgerald, the CCP appears to have expected remittances to form the main source of foreign exchange in the early 1950's -- in value terms, well in excess of the $U.S. 300 million worth of credits extracted from the Soviet Union under the terms of the Sino-Soviet Friendship Treaty of 1950. For all these reasons, remittances were to figure very prominently in communist policies towards the Overseas Chinese after 1949.

Economically and socially, the historical evolution of the Overseas Chinese home areas is both

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64 Qiaowubao 27 February, 1957, p. 10.
65 See Fitzgerald, p. 121-122. Also Eckstein, p. 154-9 on the exact amount of Soviet aid.
fascinating and complex. During the Qing period and earlier, the social status of the huaqiao had been even lower than merchants. Following the 1911 revolution this situation began to change, and the social status of the huaqiao, including their dependents, rose steadily thereafter -- until the communist period when the class background of the huaqiao became a contentious political and social issue for the CCP.

In the early part of the twentieth century, returned Overseas Chinese frequently constituted a class of nouveaux riches in the villages they returned to, as was the case among members of the Guan lineage in the Tuofu area of Kaiping county near the Pearl River delta. Former residents of the Tuofu area reported that after the first decade of this century increasingly marked differences began to appear between the area's rich and poor inhabitants, in terms of housing, dress and eating habits. The wealthy of the area were composed predominantly of the families of successful emigrants and local merchants. After 1920 successful Guan emigrants to North America began establishing so-called new villages (xin cun) to house

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their relatives and dependents in the Tuofu area. The buildings in these new villages were foreign in style (yang lou) and usually equipped with western-style amenities; some were outfitted with manned watchtowers. The inhabitants of the new villages, according to elderly informants resident at the time, became renowned for their sumptuous lifestyle, their conspicuous consumption and lavish indulgence on ritual celebrations, especially weddings and funerals. Many sported western clothing and followed western fashions. Eventually, the new villages became neighbourhoods for prosperous merchants and modern scholars as well — in other words, the local elite; while the older original village neighbourhoods became inhabited solely by tenant farmers, labourers and the families of unsuccessful emigrants.

Overseas Chinese, in the past and today as well, reveal an immense pride over what they refer to as their "enduring feelings of local affinity" (xiangtu qingyi). In particular, they have taken great pride in the concrete manifestations of this enduring affinity. Historically over the past century or more the Overseas

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67 By contrast, in eastern Guangdong and southern Fujian returned emigrants tended to establish new neighbourhoods and investments in the treaty ports of the area such as Amoy and Swatow, rather than in their home villages.

68 Woon, p. 55-56.
Chinese have been prominent and important contributors to the social welfare and economic advancement of their home areas, both through family remittances, and also through investments and philanthropic projects and contributions. Overseas Chinese contributed greatly, for example, to the development of modern education in Guangdong, building schools, training teachers and funding scholarships, etc., (in the 1920's for example, the Taishan modern high school, built almost entirely with funds from Taishan emigres to Canada, was said to be the most modern high school in all of China at the time)\textsuperscript{69} They also invested heavily in the building of roads and railroads. (railroad construction had a particular attraction for Overseas Chinese investors in the late 19th and 20th centuries, perhaps because of its association with industrialization) as well as maritime transport. They invested in electrification projects in their rural home villages, and contributed to the modernization of market towns, where they often invested their overseas earnings. By 1930 in the market town of Qigan in Kaiping, for example, nine out of every 10 shops was owned by an Overseas Chinese or family dependent. The town itself had acquired the nickname of "Little Guangzhou" because of the extent

\textsuperscript{69}See Con et al., p. 113.
and variety of its modern amenities.\textsuperscript{70}

The human sentiments which underlie the \textit{huaqiao} tradition of enduring affinity with the \textit{jiaxiang} are composed of a complicated mixture of filial piety, social prestige, culturally inherited charitable responsibilities associated with the acquisition of wealth, a sincere desire on the part of emigres to see the benefits of modernization bestowed upon their relatives and ancestral homes, and finally the simple motive of financial profit derived from investment. Another important ingredient which deserves mention has been the discriminatory policies practiced by governments in many of the countries of residence of the Overseas Chinese, and the precarious political and economic circumstances the Overseas Chinese have historically faced abroad. To a significant extent it has been the force of these circumstances which have made the Overseas Chinese feel it both necessary and wise to maintain their various links with China.

After 1949 the Chinese Communists endeavoured to make themselves heirs to this rich \textit{jiaxiang} tradition. Of course, it also was a vital factor in the local economies of the Overseas Chinese areas and therefore

\textsuperscript{70}Woon, p. 31. For a detailed description of the various social and economic endeavours of the Overseas Chinese in the Guan lineage of Tuofu, see p. 52-73.
was something the CCP could not afford to simply ignore either. As will be seen, the CCP went to substantial efforts to maintain the tradition and to preserve the various links which were built upon it.

Yet, the Communists were at the same time undoubtedly equally concerned with some of the less savoury -- as far as they were concerned -- features of the Overseas Chinese relationship with their homeland. Not all the links which developed between emigrants and their home areas were in fact as positive in their effects as many of those described above. One negative development -- which was to have severely detrimental repercussions for the Overseas Chinese during land reform in the early 1950's -- was the influx, since World War One, of large amounts of Overseas Chinese real estate investment in Guangdong.\textsuperscript{71} Many of the properties purchased by Overseas Chinese real estate investors were in the fertile alluvial sands areas of the delta regions, where land concentration, population pressure, and rural indebtedness were all particularly severe.\textsuperscript{72} The effect of this influx of Overseas Chinese

\textsuperscript{71}The discussion which follows on this subject is based mainly on Robert Y. Eng, "Institutional and Secondary Landlordism in the Pearl River Delta, 1900-19491," \textit{Modern China} 12 (January 1936): p. 20-25.

\textsuperscript{72}For population statistics and tenancy conditions in the delta region and South China in general, see David F. K. Ip, "The Design of Rural Development: Experiences from south China, 1949-1976." Ph.D. dissertation,
real estate investment was to cause a proliferation of so-called secondary landlordism (erlu dizhu). What happened, typically, was that, especially by the 1920's, groups of local merchants and wealthy compradores with 'idle capital' banded together to form so-called 'land development companies' which then rented the properties of 20-30 absentee landlords, usually Overseas Chinese, on a long-term basis (contracts normally were made out for 10 year periods). The lands were then sublet to tenants on a short term basis according to sharecropping arrangements, usually as high as 50-70% of the annual harvest. These land development companies quickly acquired notoriety for their exploitative practices and windfall profits at the expense of impoverished tenant farmers. Many eventually expanded their holdings to huge proportions.

On the eve of land reform in Guangdong, Fang Fang, then the province's top official (and subsequently the most important person in charge of domestic Overseas Chinese policy in the PRC) accused one such company, the Ming Long Tang, of seizing upon the advantage of the Japanese occupation to "grab up" vast tracts of land in the Pearl River delta.\(^7\)

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\(^7\)(cont'd) University of British Columbia, 1979. 
\(^7\)NFRB 6 November 1950 in CB 51.
A final aspect of the huaqiao legacy inherited by the CCP which deserves mention is the historical relationship that has existed between the huaqiao abroad and successive Chinese national governments since the growth of Overseas Chinese nationalism in the late 19th century and the first Qing attempts to tap Overseas Chinese wealth. Since that time all national governments in China have attempted to woo the financial and moral support of the huaqiao with appeals to their two great traditions of patriotism and attachment to their jiaxiang.

Relations between the huaqiao and central Chinese governments were not always on this footing. For most of the late imperial period, China's dynastic rulers despised and distrusted the huaqiao, as real or potential fifth columnists (not unlike the Cultural Revolution view of the Overseas Chinese, which also regarded them as subversive fifth column elements in society). In one of the first official acts towards the Overseas Chinese, the first Qing Emperor banned all emigration from China, making it a crime punishable by death. The ban was motivated by concern for Overseas Chinese support for Ming loyalists and their attempts to stage a Ming restoration; as well as their aid to anti-Manchu pirates like Koxinga who had made piracy an
endemic problem along China's southeastern coast. In 1717 the Gangxi Emperor summoned all his Overseas subjects to return home promptly, and as a measure of his benevolence was willing to extend full "pardon" to all those who had gone abroad since his reign began, 57 years prior. His successor the Yongle Emperor tried unsuccessfully to implement a system of licensing for coastal residents to go abroad for short periods to trade. Frustrated, in 1728 he forbade all those who went abroad unlicensed ever to return, upon pain of death.

It was the western powers, anxious to secure steady supplies of cheap labour, who eventually forced the Qing rulers to take a more tolerant view of emigration. The Peking Convention of 1860 contained a clause by which the Qing recognized the "legal right" of its subjects to emigrate, but the Qing law forbidding emigration was not officially repealed until 1893.

When the Qing finally did repeal the ban on emigration, it was because it had fully awakened to the possibilities of tapping Overseas Chinese wealth for China's modernization, and because it was witnessing the growing involvement of the Overseas Chinese in Chinese domestic politics and the birth and upsurge of
Overseas Chinese nationalism. In the closing decades of the nineteenth century, monarchists, constitutionalists, and revolutionaries all made attempts to carry the struggles of domestic Chinese politics into Overseas Chinese communities, where they each sought moral and financial support for their contending causes.

As early as 1867, some far-sighted Qing officials had begun urging that Overseas Chinese with special skills be contacted and enticed to return to China. Somewhat later, consulate schools were established in Cuba and San Francisco expressly for this purpose. But it was not 1893, in its final death-throes, that the Qing finally adopted an all-out effort to attract financial investment and support from Overseas Chinese, especially the 'mandarin-capitalists' of the nanyang ('Southern Ocean'; Southeast Asia).[^7]

Historians have largely ignored these Qing overtures to the Overseas Chinese, in part because it has been assumed, without much direct evidence, that the majority of Overseas Chinese were anti-Manchu and sided

with the reformers and revolutionaries. In fact, most Overseas Chinese were apolitical, and of the minority that were politically active, many of the most powerful and influential were slow to support Sun Yat Sen's concept of revolution. Godley provides interesting evidence that when the call finally came from the beleaguered dynasty, many Overseas Chinese capitalists responded with decided enthusiasm and some material support.

In these last ditch efforts were born some of the same measures which successive Chinese governments since have copied to woo Overseas Chinese support, including the communist government since 1949. Qing officials, for example, undertook various efforts to facilitate freedom of movement for returning businessmen, including the creation of special passports. And they established a reception office in Guangzhou to greet, inform and accommodate returning Overseas Chinese businessmen -- an institution exactly replicated by the PRC half a century later.

The quest to woo Overseas Chinese wealth for China's modernization greatly expanded following the 1911 Revolution. The GMD began as an essentially Overseas Chinese Party, with its strongest roots of support in Guangdong. The 1911 revolution was partly
financed by Overseas Chinese contributions. It was no surprise then, that within a few months of assuming power the new republican government dispatched its first 'fact finding' mission to the nanyang to explore the possibilities of greater commercial and political cooperation with huaqiao communities. In 1921 the GMD established an Overseas Chinese Affairs Office in Guangzhou, which in 1926 became the Overseas Chinese Affairs Commission (OCAC). The CCP in 1949 created its own OCAC, exactly modelled after the GMD institution. Also in 1926 the GMD laid down the three basic objectives of its Overseas Chinese policy: to guarantee equal treatment for Overseas Chinese in the countries of their residence, to encourage their return to China for education, and to encourage their investments for the industrialization of the motherland. Beyond this the GMD government urged the Overseas Chinese to identify with China and Chinese politics, and to distance themselves from the culture and politics of their countries of residence. The GMD also continued to observe the principle of jus sanguinis in their nationality policy for Overseas Chinese -- a principle that was first expressed in the Qing Nationality Act of 1909 and symbolized the complete turnabout in Qing attitudes towards the Overseas Chinese. It created
problems of dual nationality which continued to plague the Chinese Communists more than 40 years later. Under its terms, a Chinese subject (and later a citizen under the republic) was regarded as anyone born of a Chinese father, regardless of country of birth. Internally, the GMD continued to woo Overseas Chinese investment and remittances, an effort to which the Chinese Communists would also commit themselves in the early 1950's.

The CCP's Contradictory View of the Huaqiao

The huaqiao legacy inherited by the Chinese Communists was thus both considerable and complicated. In addition to confronting the problems posed by the unique demographic and economic features of the Overseas Chinese areas, and the necessity of making decisions regarding the nature and continuance of their various links abroad, the Chinese Communists had also to take account of the unique role Chinese nationalism had assigned to the huaqiao since the late nineteenth century. But in the efforts they undertook to convince the huaqiao they were the rightful heirs of the glorious Overseas Chinese traditions of patriotism and support for their jiaxiang, the Chinese Communists
found themselves embroiled in persistent and vexing ideological, moral and economic dilemmas, for which there was unfortunately no simple way out. The goals of Chinese socialism did not rest easily with the huaqiao legacy. In fact, the huaqiao legacy constituted one of the CCP's most difficult and taxing historical inheritances. Ideological confusion over who and what the huaqiao represent to socialist China has been an ongoing problem for well over 30 years, since the founding of the People's Republic. Ethnic loyalists who could be made to join a "patriotic united front" (aiguo tongyi zhanxian); members within the broad ranks of the "labouring people" (laodong renmin); or capitalist fifth column agents and enemy within; innately non-and anti-communist (Overseas Chinese areas were among the major GMD support areas in Guangdong) -- all of these contradictory views of the huaqiao have found expression within the Party over the past 30 years.

For the CCP simply defining who and what the huaqiao are has been an excruciating difficult problem. One gets a sense of the agonies of how to deal with the huaqiao, ideologically, from Liao Chengzhi's 1978 retrospective look back on the treatment of the huaqiao over the course of three decades of PRC history. Liao
was the son of He Xiangning (Madame Liao Zhong Kai) head of the Revolutionary GMD and Chairman of the OCAC from 1949 until her retirement and death in 1959. Even then, as a Vice-Chairman of the OCAC, Liao was the key figure in that organization, his mother serving more as a symbolic link with Sun Yat Sen with whom both she and her 'husband had earlier served. Liao succeeded his mother and remained in that role until his own death a few years ago.

The occasion for Liao's retrospective look at the history of Overseas Chinese policy in the PRC -- published as a Renmin Ribao editorial -- was a celebration of the defeat of the Gang of Four and an end to the vicious persecution inflicted upon Overseas Chinese by the Gang and its supporters. It was also to mark the start of a new era for the domestic Overseas Chinese, when their "overseas connections" (haiwai guanxi) not only would be appreciated but actively sought after by post-Gang of Four China under Deng Xiaoping. The Gang's view of the huaqiao -- and the general Cultural Revolution view of the huaqiao -- was that they were tainted by their haiwai guanxi, which were capitalist in nature and, therefore,

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75 Fitzgerald., p. 16.
innately evil. More than this, domestic Overseas Chinese were roundly persecuted during the Cultural Revolution as a traitorous fifth column for capitalism in socialist China -- at the same time, ironically, as the flames of the Cultural Revolution were fuelling Southeast Asian fears that the Overseas Chinese were functioning as a fifth column for the spread of Chinese Communism overseas.

The Cultural Revolution view of the *huaqiao* represented the ultra-left interpretation of an ideological ambiguity which has always been present in the PRC and whose resolution has persistently eluded the CCP, despite the efforts of persons like Liao Chengzhi to put the best possible face on the questionable ideological status of the *huaqiao* and their dependents. Liao Chengzhi countered the Gang's view of the essential rottenness of overseas connections with the view that living in capitalist society did not render the *huaqiao* automatically tainted -- after all, he said, did not the *huaqiao* also live under the gun of colonialism and suffer from the effects of imperialism? And, he went on, did not the Overseas Chinese have a glorious heritage of

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77 On the Cultural Revolution attack on the Overseas Chinese and previous Overseas Chinese policy, see Fitzgerald, p. 162-184.
patriotism, as evidenced by their support for the 1911 revolution, their aid to the Eight Route Army and the New Fourth Army, and even their contribution of life, itself during the "war to aid Korea and resist America"? 

In Liao's view, the task of Overseas Chinese policy was to form a 'patriotic united front' (aiguo tongyi zhanxian) composed of all Overseas Chinese, ignoring such class differences as might exist among them. To correctly understand the class status of the Overseas Chinese, said Liao, it was necessary to adopt an historical approach to the problem. In the first place, the majority of huaqiao were originally poor peasants from South China, who had left to escape poverty, exploitation and the tyrannical rule of the Manchus. Furthermore, right up until now, he said, the "vast majority" of the huaqiao remained within the ranks of the "labouring people" (laodong renmin) -- a category he defined in rather broad terms to include workers, peasants, intellectuals, petty traders and merchants. The term is clearly different from the communist conception of "class" (jieji) which Liao nevertheless employed alongside it, when he went on to insist that only a small number of huaqiao actually had

79ibid., p. 18.
risen into the capitalist class (ziben jieji). Most of these Overseas Chinese capitalists were, according to Liao, only small and medium-sized capitalists. All these groups, Liao maintained, should be made the object of a patriotic united front, not only because of the historical circumstances of their migration and life overseas, but also because of the historical record of their patriotic contributions to the motherland.

The problem encountered by this view was that it collided with the growing importance in China during the 1950's -- particularly with the acceleration of the movement for socialist transformation -- of the concepts of class (jieji), class status (jieji chengfen) and class struggle (jieji douzheng) as weapons for achieving revolutionary social and economic change. The class status of the huaqiao and their dependents, (who were also included in the patriotic

front), was murky, complicated, and exceedingly difficult to determine on the basis of the usual criteria. That this was so was due entirely to their 'overseas connections' and the peculiar features of their socioeconomic existence: their dependence on remittances, their unwillingness to engage in agricultural production, their forced requirement to rent out their landholdings because the main source of family labour power was overseas, etc. As the discussion on land reform in the next chapter shows, class status was to become one of the most confusing and vexing problems for the CCP in dealing with the domestic Overseas Chinese.

The policy of uniting all huaqiao and their dependents in a patriotic front collided with the prescribed class-based strategy for accomplishing the socialist transformation of agriculture. According to this strategy, cadres were supposed to rely on the poor and middle peasants and progressively isolate rich peasants. Cadres working within the mass organizations with the dual responsibility of implementing Overseas Chinese policy and also mobilizing domestic Overseas Chinese to participate in socialist transformation, complained frequently, however, of being frustrated and uncertain of whether to exploit class differences among
domestic Overseas Chinese, or whether to strive to paper these differences over in the interests of preserving a united front.  

Ambiguity, too, surrounded the definition of the very nature of the "special characteristics" (tedian) of Overseas Chinese family dependents. During land reform there were widespread reports that cadres were determining the class status of dependents on the basis of the amount of remittances they received; during collectivization there were frequent reports of cadres "mobilizing" (dongyuan) private remittances for the use of the APC. Many cadres and members of the general population regarded remittances as undeserved income, because they were not the fruits of one's own labour, and because they enabled many dependents to lead lives of comparative luxury, scorning agricultural production and the communist virtues of hard work. Liao Chengzhi's injunction that receiving remittances from overseas was really no different than ordinary peasants receiving funds from family members employed in the city, could not have been very convincing to many peasants and officials resentful of what seemed to them undue privileges accorded to a group of persons of dubious ideological purity.

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81 Qiaowubao 17 December, 1956, p. 13.
82 Liao, p. 19.
In fact, the popular image of the huaqiao during this period was completely at odds with the communist virtues the CCP was attempting to promote among its citizenry. A typical editorial which appeared in the Renmin Ribao in November, 1954, on the eve of collectivization, provides a good sense of the kind of communist moral virtues actively propagated in the mid 1950's, and of the way this new communist morality clashed with the popular image of domestic Overseas Chinese. The editorial, entitled "Resolutely Strive to Cultivate Communist Virtues in the Younger Generation," identified three key communist virtues. The first of these was "love of labour". The editorial stated that "love of labour is a special characteristic of communist virtue. We should train our younger generation to acquire the noble quality of loving and respecting labour, and educate them to actively engage in labour...to overcome their love of leisure and resentment of labour, especially physical labour..." The editorial then went on to urge that "We should promote among our youth the creative spirit and overcome the ideal of dependence and conservatism. Finally, the editorial held that "Frugality is a fine tradition of the Chinese people, and a virtue

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83 RMRB 14 November 1954.
recognized by all. The younger generation should be taught to continue this tradition and oppose luxury. We endorse leisure...but it must be the fruit of one's own labour".

The contrast of these virtues with the popular image of domestic Overseas Chinese could not be more striking. In the first place, with regard to the communist virtue of "loving labour," the domestic Overseas Chinese -- especially the great majority who relied on remittances for their livelihood -- were renowned for their total disdain of agricultural production and manual labour in general. So widespread and serious was this problem that in 1953 the Guangdong authorities convened the First Guangdong Provincial Overseas Chinese Dependents Rural Production Conference, with the aim of overcoming this disdain for production and fostering among them the concept that "labour is glorious". The Conference adopted the view that mobilizing domestic Overseas Chinese to participate in agricultural production was the "principal task" in Overseas Chinese affairs.\(^8\) In 1955 He Xiangning, in her capacity as Chairman of the Central OCAC, complained that the returned Overseas Chinese "had no desire to settle down in the rural

\(^8\)CNS 29 October 1953 in SCMP 681.
villages", and she roundly castigated dependents for "belittling agricultural production" and failing to realize that to engage in labour was a manifestation of patriotism as well as necessary for the progress of the nation's industrialization.\(^8^5\) The communist virtues of "hardwork and plain living" (jiān kū pusu) clearly were seen to be missing in the attitudes of the many domestic Overseas Chinese.

Likewise, the concept of "overcoming dependence" and striving for self-reliance did not fit easily with the dependence of most domestic Overseas Chinese upon remittances from abroad. Remittances, as noted, enabled many domestic Overseas Chinese to lives of comparative luxury,\(^8^6\) noted for conspicuous consumption and lavish indulgence in "feudal" ritual celebrations, including ancestor worship, geomancy (fēngshuǐ) and elaborate weddings and funerals.\(^8^7\) Thus the domestic Overseas Chinese also were not known for their adherence to the communist virtue of "frugality"

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\(^8^5\) CNS 7 February 1955 in SCMP 985.
\(^8^6\) In Chen Village, the Indonesian-born "Overseas Deng" falls into this category. According to Richard Masden, "his foreign connections and his evident wealth made him appear sinister to many of the villagers." See Madsen, p. 125.
\(^8^7\) The February 1955 State Council decree on protecting remittances even went so far as to guarantee their legitimate use for such purposes. See RMRB 3 March 1955. The local press subsequently printed many stories celebrating the indulgence of domestic Overseas Chinese in these various rituals.
either; if anything the popular image of the domestic Overseas Chinese in this period tended to be the opposite extreme. These contradictions, between the popular image of domestic Overseas Chinese and official communist morality, in effect served only to heighten the ideological confusion which surrounded the role of the *huaqiao* and their dependents in socialist China.

The Emergence of a Policy of Special Privileges for Domestic Overseas Chinese

CCP policy from 1954-1957 added considerably to the ideological confusion and uncertainty surrounding the *huaqiao*. By late 1954 the CCP had decided to embark on a course whose aim was to protect and preserve the "special characteristics" of the domestic Overseas Chinese, in order to secure the financial and moral support of the *huaqiao* and their dependents, within and outside of China. At the core of this approach was the erection of a series of privileges relating to changes in class status, protection of remittances and special regulations governing Overseas Chinese investment in China. The CCP was at bottom ultimately motivated by economic concerns: either to secure economic growth through increased investments,
or to preserve the economic stability of local areas whose economies were utterly dependent on the smooth flow of remittances. As well, remittances had an important foreign exchange value to the national economy. The result, in the mid 1950's, was the creation of a privileged class in rural Chinese society, at a time when the nation as a whole was deeply engrossed in the effort to transform itself into a socialist society. The goals of social revolution collided, and ultimately triumphed over, the goals of economic growth and stability which were at the core of the special privileges accorded to the domestic Overseas Chinese starting in 1954.

The first sign that Overseas Chinese policy was moving towards the creation of a privileged status for domestic Overseas Chinese came in December 1954 with the decision to change the class status of Overseas Chinese landlords ahead of schedule, to that of peasant status. This was a bold decision at the time because the ARL had earlier stipulated that landlords should not be allowed to have their class status altered for a minimum of five years, while they 'reformed themselves through labour'.

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*88* Agrarian Reform Law, p. 65. The decision to change the class status of Overseas Chinese landlords was announced in *CNS* 7 February 1955, in *SCMP* 985.
The decision took the position that most Overseas Chinese landlords had been wrongly classified during land reform (land reform in the Overseas Chinese areas of rural Guangdong is discussed in the following chapter). Official announcement of the change was accompanied by a great deal of publicity and fanfare. In addition to dispatching work teams to the villages to oversee the change, leading Party and government officials like Fang Fang and Tao Zhu (at the time Acting Head at the Guangdong provincial government; later the most important leader in the province until the Cultural Revolution) undertook to travel personally to villages in the Overseas Chinese areas of west, central and eastern Guangdong, where public meetings were convened for the purpose of having these leading officials announce the decision before the entire village. The involvement of the province's highest officials in this manner is significant. It indicated not only the extreme importance the CCP attached to the measure, but also the Party's perception that only through such grass roots involvement on the part of high officials would the local populace be convinced of the state's sincerity and the level of its commitment. Since the problem was alleged to have been due in the first place in part to mistakes committed by basic
level cadres, the CCP may have feared the decision would have lacked the necessary credibility if it was propogated solely by local cadres.89

Enactment of the decision was accompanied by reports in the local press of feasting and celebration on the part of newly vindicated domestic Overseas Chinese. In the villages, red posters were put up daily to proclaim those whose status had been changed, and the press also followed the progress of the campaign with regular announcements of the increasing numbers who had their status changed. In the course of the campaign many stories also appeared portraying an end to the ostracization of Overseas Chinese wrongfully labelled as landlords. One such story, for example, told of a young Overseas Chinese with landlord status who had recently been introduced to a girl from a respectable peasant family, with the object of matrimony. The girl's family balked at the idea when they learnt of his status, but when it was repealed they changed their minds and, overjoyed, announced their immediate approval for the marriage to proceed.90

89 Communicating and popularizing domestic Overseas Chinese policy at the grass roots level was in fact a persistent and bedevilling problem for the CCP. He Xiangning complained of it vigorously to the First Session of the NPC. NCNA 26 September 1954 in SCMP 898.
90 HK DGB 8 February 1955 in SCMP 984.
The declared goal was to have the decision fully implemented by the summer harvest of 1955. By May it was announced that 92% of Overseas Chinese landlords in Guangdong had their class status changed. Later it was announced that as of 1956 those Overseas Chinese rich peasants who had "abandoned exploitation" had their class status changed as well.

According to Stephen Fitzgerald, the decision to change the class status of Overseas Chinese landlords ahead of schedule was designed to dramatize the state's commitment to protecting remittances, and thereby to counter the downward spiral which had been in evidence since at least 1952. In early March 1955, in the midst of revising class status, a prominent editorial in the Renmin Ribao reaffirmed the principle that income from investment and remittances would in no way affect the class status of domestic Overseas Chinese. This editorial prepared the way for the public announcement of a February 1955 State Council decree on the PRC's "long-term policy" to protect

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91 In 1978 Liao Chengzhi maintained that according to the 1953 investigation of land reform, only 3.5% of dependents in Guangdong were classified as landlords. Liao, p. 18.
93 Fitzgerald, p. 54, 60. He, Zhonggong Qiaowu, p. 4.
94 RMRB 3 March 1955.
remittances, issued just three months after the decision to change the class status of Overseas Chinese landlords. In 1954 He Xiangning had told the NPC that the Guangdong OCAC had "long ago" laid down a comprehensive policy on the protection of remittances, but local cadres had never been adequately informed of the policy.\(^{95}\) Therefore the renewed commitment -- this time with all the authority of a State Council decree -- was accompanied, like the decision to repeal landlord status, with a concerted effort to popularize the policy at the basic level. The State Council also issued a follow-up directive on implementing the remittance decree, aimed squarely at basic level cadres.\(^{96}\) The Guangdong OCAC prepared 60,000 copies of a collection of documents on the policy for distribution in the Overseas Chinese areas. The Guangdong provincial government, meanwhile, ordered 50,000 copies of the decree to be posted in public places.\(^{97}\)

The crux of the policy on remittances was to guarantee their receipt and free disposal. While the State Council applauded their use for "productive" purposes, it also affirmed the legitimate use of

\(^{95}\)NCNA 26 September 1954 in SCMP 898.
\(^{96}\)NCNA 2 March 1955 in SCMP 998.
\(^{97}\)CNS 13 April 1955 in SCMP 1027.
remittances to finance weddings, funerals, ancestral worship and other forms of ritual celebration. To demonstrate its commitment, the state dealt with infringements on remittances harshly, and with a great deal of publicity.

Remittances played an important role in the local economies of the Overseas Chinese areas. The more this was so, the greater the tendency on the part of some cadres to view the remittance issue "pragmatically." In Taishan county, for example, where over 35% of the local population consisted of returned Overseas Chinese and dependents, between January 1950 and the end of May, 1955 the total amount of remittances received was equal to 72% of the total value of agricultural production over the same period. In one township in Taishan the total of remittances for 1954 amounted to 92% of the value of agricultural production in that year. And in some villages the income received from remittances was actually more than double the income from agricultural output. In 1957 it was reported that, according to current statistics about 1/3 of the then more than 10 million Overseas Chinese dependents in China depended "primarily' on remittances for their

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98 RMRB 3 March 1955.
99 Examples in CNS 9 September 1955 in SCMP 1132.
100 GMRB 6 July 1955 in SCMP 1093.
livelihood. About 90% of all remittances were spent on family support, with only about 2% delegated for investment purposes.\textsuperscript{101} As will be seen, however, with the advent of collectivization, substantial pressure was exerted on Overseas Chinese households to earn their income through the accumulation of "work points", and to delegate their remittance earnings to the APC's investment fund.

Remittances also were coveted by the CCP for their historically important foreign exchange value. Between 1929 and 1941 Overseas Chinese remittances to China averaged U.S. $80-100 million annually. In the post-war period, they averaged anywhere between U.S. $66-130 million annually. After 1949, by comparison, remittances averaged U.S. $50-60 million per year between the years 1952-58.\textsuperscript{102} A quick comparison with the value of Soviet aid provided for under the terms of the 1950 Sino-Soviet Friendship Treaty shows the relative importance of remittances to the PRC economy. The 1950 agreement with the USSR provided for U.S. $300 million in credits spread over five years -- roughly equal to the total value of remittances spread over the same period. As Fitzgerald remarks, "provided that these remittances reached China through official

\textsuperscript{101}Qiaowubao 27 February 1957, p. 10.
\textsuperscript{102}See Fitzgerald, p. 121, 123. Eckstein, p. 197.
channels (there was a perpetual problem of smuggling, by so-called shuikè, "water guests" - ed.) they had the effect of a direct grant of foreign exchange which, unlike the aid from the Soviet Union, did not have to be repaid.\textsuperscript{103} At least in the early years of its rule, the CCP appears to have expected remittances to form the country's principal source of foreign exchange.\textsuperscript{104}

The third form of special privileges extended to domestic Overseas Chinese was in the area of investments. Investments were solicited from the Chinese abroad, but perhaps the great majority of investment funds were mobilized from domestic Overseas Chinese.\textsuperscript{105} In 1954 He Xiangning told the NPC Overseas Chinese investors ought to be encouraged to open up wasteland in Guangdong for the development of tropical produce plantations (especially rubber, and fruit crops, such as pineapples) and livestock farms, to invest in large scale housing developments and to finance educational and cultural institutions.\textsuperscript{106}

The CCP appears to have envisioned Overseas Chinese investments in the agricultural development of Guangdong to play a substantial and valuable role in

\textsuperscript{103}ibid., p. 122. A good discussion of the importance of remittances in PRC Overseas Chinese policy is in Fitzgerald, p. 122-126.
\textsuperscript{104}ibid., p. 122.
\textsuperscript{105}ibid., p. 122.
\textsuperscript{106}NCNA 26 September 1954 in SCMP 898.
the rural economy, both at the provincial level and in terms of Guangdong's contribution to the national economy. USSR credits were repaid mostly in the form of food exports, consisting mainly of tropical fruits originating from Guangdong and Hainan. At the provincial level, opening up wasteland was seen as the best available method of reducing population pressure and increasing agricultural output, simultaneously. Opening up wasteland was highly touted as a solution to the problem of increasing production of cash crops for industry and export without reducing the acreage devoted to foodgrains. This was important because the achievement of foodgrain self-sufficiency was a main priority for Guangdong in the early 1950's. In 1954 He Xiangning told a visiting Overseas Chinese delegation that "there is a future for the Overseas Chinese who open up hills, forests and wastelands in the Overseas Chinese areas...Apart from stepping up their own income, they can keep the people supplied with daily necessities and the country with industrial raw materials and commodities for export."

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107 In 1954 it was reported that orange yields in the Overseas Chinese county of Chaoshan were up 12 times over 1950, and exports to the Soviet Union and "other countries" (predominantly Eastern bloc countries) had doubled every year since 1950. NCNA 20 December 1954 in SCMP 952.

108 CNS 5 October 1954 in SCMP 903.
Before 1950 there was no planned large scale plantation agriculture in Guangdong; most operations were small scale and frequently limited to the harvesting of natural crops. But in January 1955 the Ministry of Agriculture announced plans for surveying 100 million mu of wasteland in 14 provinces for reclamation, with Guangdong ranking 3rd in importance (behind Heilongjiang and Xinjiang) with some 12 million mu targeted for potential development. In August 1955 the NPC passed a set of "Regulations Governing Application by Overseas Chinese for the Utilization of State-owned Hills and Wasteland." The regulations established the legal right to collect profits from such lands under various schemes of private and joint public-private ownership, for contract periods of between 20-50 years.

The CCP's plan (which did not meet with great results) was in effect to use the resources of the domestic and external Overseas Chinese to finance the

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109 Liang, p. 20.
110 NCNA 5 January 1955 in SCMP 963. In 1955 Guangdong had some 40 million mu of cultivated land, and a further 170 million mu classed as mountainous areas and wasteland. HK DGB 13 September 1955 in SCMP 1132.
111 NCNA 6 August 1955 in SCMP 1104. Immediately following passage of these regulations a "Sub-tropical Resources Development Committee" was formed in Guangdong (under Zhao Ziyang) to map out the development of tropical cash crops. HK WHB 23 August 1955 in SCMP 1116.
development of an agribusiness in Guangdong, which would make the province into a major producer-exporter of tropical agricultural products. This included making use not only of huaqiao financial resources, but also the knowledge and expertise of returned Overseas Chinese experienced in the cultivation of rubber, pineapples and other tropical economic crops. State farms for returned Overseas Chinese were set up in mountainous and wasteland areas in order to exploit their knowledge of tropical agriculture. Efforts were even undertaken to induce Overseas Chinese abroad with such skills to return to China and contribute their knowledge to the construction of Overseas Chinese state farms specially devoted to plantation agriculture.

Remittances were linked to investments, principally through the Overseas Chinese Investment Company, a joint State-private enterprise formed in February, 1955 to make centralized and planned use of the "idle funds and floating capital" of the Overseas

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113Zhonghua quanguo guiguo huaqiao lianhehui chengli dahui tekan, 2 vols. (Beijing: Zhonghua quanguo guiguo huaqiao lianhehui, 1957), 1: 19-20. In one such case one Wu Shuifeng returned to Guangdong from Borneo in 1954 to invest 19 million yuan in the private purchase of a fruit orchard with the aid of state authorities HK DGB 30 November 1954 in SCMP 939.
Chinese. Operating in the spheres of industrial construction, foreign and "general" services, potential investors were entitled either to specify the project and amount of funds committed (for example, construction of a bridge, school or factory), or else to leave investment decisions entirely up to the company itself. The CCP touted the Company as a convenient and profitable way of supporting dependents. This could be done in either of two ways: Chinese abroad could purchase shares in the Company and arrange for dividends to be paid directly to dependents (an annual dividend of 8-9% was guaranteed by the State even after socialist transformation, though there is evidence this was not always respected); or, dependents could themselves directly purchase shares in the corporation. According to one estimate, in 1956 there were 6,000 dependent households in Guangdong with shares in the company.\footnote{CNS 23 June 1961, cited in Wu, p. 56. Wu estimates that as of 1955 in Guangdong there was the equivalent of U.S. $5,800 invested in the Company, and U.S. $8,000 the following year. See p. 57. These amounts are meagre compared to the total value of remittances, stated above.}

Economically, the CCP, through its various special privileges for returned and dependent Overseas Chinese strove to mobilize the financial resources of the
domestic and external Overseas Chinese for developmental purposes within China. The CCP also sought to attain certain political goals with respect to the Chinese abroad, with regard to using them to promote friendly relations between the PRC and the countries of their residence, and undermining GMD support among the Chinese communities abroad. But as Fitzgerald states, "the Party was ultimately more interested in exploiting Overseas Chinese for domestic economic purposes than for external political ones."\textsuperscript{115}

These developmental goals, however, ultimately collided with the goals of social revolution during the socialist transformation of agriculture. By 1957 the result was a situation in which many of the special privileges formulated since 1954 were being discarded in favour of a new policy of equal treatment and integration into the general rural population. In the final analysis, the policy of special privileges turned out to be erected on too flimsy and unstable an ideological and political basis. By 1956, these privileges were being swamped by the political tide of an emergent radical Maoism, whose development strategy was based on entirely different and opposed principles. And the domestic Overseas Chinese themselves discovered

\textsuperscript{115}Fitzgerald, p. 121.
that the very "special features" which distinguished them from the general peasant population, and which the CCP tried, on the whole rather unsuccessfully, to uphold, also determined that as a group they would be particularly ill-disposed and poorly equipped -- ideologically, and practically -- to participate in the newly emerging socialist rural order.
CHAPTER III: Contradictory Aims and Conflicting Interests: The Overseas Chinese Areas of Rural Guangdong and Socialist Transformation, Part I

The Domestic Overseas Chinese Population of Guangdong

By the CCP's own estimate, in the early years following the establishment of the People's Republic there were nearly 11 million 'domestic' Overseas Chinese, concentrated overwhelmingly in the two southeastern provinces of Guangdong and Fujian (sizeable populations also existed in Yunnan, Guangxi, Zhejiang and Shangdong). Subsequent PRC figures for the number of domestic Overseas Chinese have remained relatively stable at this level, though it should be stated that the actual number is in a state of general decline, as emigration has slowed to a trickle, links with relatives abroad weaken over time and are not renewed, and as returned Overseas Chinese and dependents are re-absorbed into the general population.

The term domestic Overseas Chinese (guonei huaqio) is rarely used in official Chinese sources; instead

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116 The 1953 PRC census put the number of Chinese abroad at roughly the same: 11,743,320 including residents of Hong Kong and Macao (who technically are compatriots (tongbao) not Overseas Chinese. Subsequent PRC sources have usually put the number of Chinese abroad at around 13 million. Fitzgerald, p. 3-4.
full reference is normally made to the two component categories of returned Overseas Chinese \((\text{gui guo huaqiao})\), usually abbreviated as \(\text{guiqiao}\) and Overseas Chinese family dependents \((\text{huaqiao juan})\), or simply \(\text{qiaojuan}\). PRC figures for returned Overseas Chinese include only those returned after 1949. The category of dependent, on the other hand, has had a fairly loose definition; in 1956 a local newspaper in Fujian defined a dependent as anyone who had an immediate relative who had lived and worked abroad for at least one year.\(^{117}\) On the basis of this definition a person could retain dependent status even after one's relatives had returned to China. Likewise, a person could conceivably qualify simultaneously as dependent and returned Overseas Chinese. The main exception to this was for relatives of Chinese residing in Hong Kong and Macau, who were eligible to claim dependent status only if they received regular remittances -- which, of course, a great many of them did.

PRC statistics do not indicate any allowance for an overlapping of the categories of dependent and returned Overseas Chinese. General figures indicate that over 10 million of the total domestic Overseas Chinese population were dependents; between 400,000 and

\(^{117}\)ibid. , p. 212
500,000 were returned Overseas Chinese (large numbers of huaqiao returned from Malaya in the 1950's during "The Emergency", and sizeable numbers of refugees also returned from Indonesia in the late 1950's); there were also between 60,000 and 70,000 Overseas Chinese students studying in China. Dependents consisted almost entirely of women, elderly and young people.\textsuperscript{118}

About 1/5 of the total population of Guangdong could be classified as domestic Overseas Chinese (1/6 in Fujian).\textsuperscript{119} The total number of domestic Overseas Chinese in Guangdong was about 8 million, or about 68% of the total Overseas Chinese population in China. There are three main home areas of the Overseas Chinese in Guangdong: the Chaozhou and Shantou plains along the Han river in northeastern Guangdong, six counties in central Guangdong, and Hainan Island. Within these home areas, there is considerable variation as to the spread and density of the Overseas Chinese population. On the whole they comprised 17% of the total population in the three home areas, but in Meixian and Taishan counties Overseas Chinese constituted 1/3 of the total population.\textsuperscript{120} In the villages studied by Parish and

\textsuperscript{118}ibid., p. 4. \\
\textsuperscript{119}ibid., p. 15. \\
Whyte, the average portion of village residents receiving remittances was under 10%, but the range varied from 0 to 80% (the latter in Taishan).\textsuperscript{121}

For the most part, Overseas Chinese policies usually were intended to apply equally to both categories of returned Overseas Chinese and dependents. Therefore, in this text the term domestic Overseas Chinese is the one generally used; the two component categories are mentioned specifically only when there is a need to differentiate.

**Land Reform and the Class Status of Domestic Overseas Chinese**

Before 1949 the CCP had little experience and had shown almost no interest in Overseas Chinese affairs (*huaqiao shiwu*); in all Mao's writings there had been only a single reference to the Overseas Chinese, and practical efforts before 1949 seem to have been limited to sporadic attempts to solicit war funds and promote anti-Japanese patriotism among the *huaqiao*. As Fitzgerald states, "Before 1949, the Chinese Communist Party had almost no experience, and appears to have given little thought to an Overseas Chinese policy."\textsuperscript{122}

\textsuperscript{121} Parish and Whyte, p. 27 and Appendix 2.
\textsuperscript{122} Ibid., p. 15.
Thus, when the Chinese Communists came to power in 1949 they had no experience in dealing directly with the social and economic consequences of the presence in rural Guangdong of large numbers of returned Overseas Chinese and Overseas Chinese family dependents. The CCP is often said to have gained important land reform experience during the Jiangxi Soviet Republic, but their lack of experience with the special concerns of Overseas Chinese shows the limited value of this generalization for South China. If the overall national success of land reform rested in part upon the Party's pre-1949 experience, there was nevertheless nothing in that experience that would prepare the CCP for the complexities they faced in the rural Overseas Chinese areas. That was true not only of the isolated and mountainous regions which were the site of the Jiangxi experiment, but as well of the CCP's war time experience in North China, where conditions were again radically different.

Indeed, a case could be made for the CCP's lack of up to date knowledge -- let alone experience -- of rural conditions in general in Guangdong on the eve of land reform. Evidence of this is the fact that in the CCP's first major address inaugurating land reform in Guangdong, Fang Fang, then the most powerful official
in the province and the Chairman of the Guangdong Land Reform Committee, was forced to rely for his figures on tenancy conditions and land ownership and concentration upon the then twenty year old study undertaken by the noted agrarian economist (and recently discovered longtime Party member) Chen Hansheng (Chen Han-seng).\(^\text{123}\)

Land reform followed a tortuous course in Guangdong; the province was the last in the country to complete the process, in the spring of 1953, and then only after the dismissal of up to 80% of local cadres and a massive infusion of "northerners" to complete the task. It also entailed the removal of many top officials, including the most powerful Party figure in the province.\(^\text{124}\) In the course of this debacle a declared policy of official leniency towards the

\(^{123}\)Fang Fang's speech on land reform appeared in *NFRB* 6 November, 1950 and is reprinted in English translation in *CB* 51. Chen Hansheng's classic study on conditions in rural South China during the 1930's is published in English as Chen Han-sheng, *Landlord and Peasant in China: A Study of the Agricultural Crisis in South China*, (New York: International Publishers, 1936). (The hitherto unknown fact that Chen was a longstanding CCP member was revealed only recently, to his old acquaintance Harold Isaacs during the latter's 1980 return visit to China after a 50 year hiatus.)

\(^{124}\)The most complete account of the land reform debacle in Guangdong is contained in Vogel, p. 91-124. The course of the campaign can also be conveniently charted using the CB series, which provides annotated documents grouped under separate subject headings. See also Robert Carin, *China's Land Reform Series* (Kowloon: n. p., 1960).
huaqiao was largely swamped by the tide of radicalism which overtook the movement in Guangdong.

The first moves undertaken by the new government in Overseas Chinese work in rural Guangdong were dictated by immediate practical considerations, rather than a coherent and well-informed strategic policy. Thus the first move, initiated in early 1950, was to undertake a registration of all dependents and recently returned huaqiao. The purpose was to ascertain who was receiving remittances and therefore eligible for relief from the strict foreign exchange restrictions implemented in 1949 to restore order and bring the country's chaotic currency situation under control.\textsuperscript{125} The registration of Overseas Chinese dependents and returned Overseas Chinese was basically complete by the fall of 1950 in the areas of greatest Overseas Chinese concentration; in the remaining areas these remittance investigations merged thereafter with the investigation of class status during land reform.

In early October 1950 land reform in Guangdong was officially inaugurated by the above-mentioned speech given by Fang Fang.\textsuperscript{126} In that speech, Fang stressed the need for a "gradualist" approach to land reform in Guangdong, which took account of the numerous "special

\textsuperscript{125} Fitzgerald, p. 54.
\textsuperscript{126} CB 51.
conditions" which prevailed in the province.

Of these "special conditions", Fang spoke at considerable length on the question of the Overseas Chinese areas and the difficult problem of how to handle Overseas Chinese property. The details of the speech were not made public until a month after it was delivered, on the same date as the Government Administration Council (GAC, the precursor to the State Council) issued a full set of regulations governing the disposal of Overseas Chinese land and property during land reform.\footnote{127} These measures were intended to amplify the single provision for Overseas Chinese contained in Article 24 of the Agrarian Reform Law, which called only for "due consideration for the interests of Overseas Chinese" during land reform.\footnote{128}

As mentioned, according to Vogel about 1/5 of all land in Guangdong belonged to Overseas Chinese.\footnote{129} The GAC measures defined Overseas Chinese land and property as that belonging to any Chinese national (determined, presumably, according to the principle of \textit{jus sanguinis}, since the CCP never formally abrogated this

\footnote{129}Vogel, p. 12.
principle) who had lived and worked abroad for a minimum of one year, as well as such land and property as belonged to their direct descendants. The measures also stipulated that *huaqiao* returned for more than three years (and their dependents) were not eligible for protection or special concessions during land reform. Of those who were eligible, exemption from confiscation was to depend on the family member's class status prior to the sojourn abroad. In the case of landlord families, only their houses were to be spared from confiscation. If a family did not have landlord status before going abroad but subsequently acquired it, only land would be confiscated; all other property was to be preserved intact.

Fang Fang's criteria, however, as given in his October 1950 speech, were somewhat different. There is no official statement in the available sources as to which superseded the other. It can be said, however, that Fang Fang's are the criteria the CCP has consistently employed in all its subsequent statements on the class status of Overseas Chinese: namely, that the class status of Overseas Chinese is to be determined on the basis of their occupation abroad. Since it was insisted that the great majority (up to 90%) of Overseas Chinese fell within the ranks of the
"labouring people" (laodong renmin), according to Fang Fang there would be very little land confiscation from Overseas Chinese (and, presumably, their dependents). As for the minority of huaqiao who were not included in the category of labouring people, only their land should be confiscated.

On paper, then, there were significant concessions allowed to Overseas Chinese during land reform. This is evident by comparing the special allowances made to the Overseas Chinese with the provisions contained in the Agrarian Reform Law (ARL), which decreed the confiscation of all landlord land and property, including "surplus houses".

But in actual fact, Overseas Chinese appear to have been little spared and were probably even excessively persecuted during the land reform in Guangdong. According to Fitzgerald, "it is clear from later reports that in practice Overseas Chinese land and property owners were not exempt, and were also subject to various 'excesses'....In the agrarian reform movement, therefore, the principle was established that in political and social movements domestic Overseas Chinese were not to be exempt..."\(^{130}\)

That principle was established, it appears (based on

\(^{130}\)Fitzgerald, p. 55.
later criticisms by the center), by the actions of basic level cadres. As evidence of the widespread terror which gripped the Overseas Chinese population during land reform the Hong Kong press during this period was replete with horrific tales recounting the persecution and maltreatment of Overseas Chinese and their dependents at the hands of the communists.  

Even allowing for the propensity of the Hong Kong press to exaggerate in such matters, it is clear in retrospect that land reform was disastrous in its effects upon the Overseas Chinese. It left in its wake a bitter legacy which for years to come continued to frustrate CCP efforts to mend its relations with the huaqiao. As late as 1956 complaints were still being aired by Overseas Chinese and dependents who had their houses confiscated during land reform (under collectivization, families were permitted to continue to own and live in their own houses), a grievance which the CCP responded to in July 1957 by establishing in Guangdong a special "Commission for Handling Outstanding Problems of Overseas Chinese Houses". Offices of this Commission were to be set up in all Overseas Chinese townships (xiang) and counties (xian) and invested with the express authority to resolve

13 Some of these reports are detailed in Wu, p. 203 and Fitzgerald, p. 55.
property disputes arising from Overseas Chinese houses confiscated during land reform. In many cases these had been taken over by ordinary peasants or used as government and Party offices. The most bitter legacy of land reform was the legacy of mistrust it created among the domestic Overseas Chinese populations concerning the CCP's true intentions towards them, and the Party's ability to stick by those intentions.

The root of the problem which afflicted the domestic Overseas Chinese during land reform lay partly in the difficulty of distinguishing landlords from rich peasants in general in rural Guangdong, and secondly in the nature of their land rent income. Later it was deemed that the land rent income of many Overseas Chinese did not constitute "feudal exploitation" (fengjian boxue).

The aim of land reform was to eliminate all forms of feudal exploitation\textsuperscript{132} from the countryside, which

\textsuperscript{132}In Guangdong this led many landlords to flee the countryside for the cities where they hoped to acquire the status of national capitalists. Under the terms of Mao's New Democracy, capitalists were not to be expropriated. In the highly commercialized coastal areas of Guangdong, moreover, many absentee landlords were simultaneously engaged in commercial and industrial activities, thus further complicating the task of determining class status. The CCP in the early years after 1949 was particularly anxious not to alienate those engaged in commerce and industry, so as to facilitate economic recovery and prevent any further disruption. See Vogel, p. 103.
included tenancy, share cropping and the hiring of farm labour. But under the very complex forms of tenancy and land tenure that evolved in Guangdong over centuries, particularly in the delta areas -- including multiple ownership, multiple layers of tenancy, etc. \(^{133}\) -- identifying precisely what constituted a landlord, and distinguishing landlords from mere rich peasants was not a simple task. In many cases, individuals were both tenants and landlords. In terms of level of income and amount of property, moreover, there often was no difference between landlords and rich peasants.

Therefore, the main criteria for determining landlords and distinguishing them from rich peasants was supposed to be the amount of labour performed: if a household contributed at least four months of its own labour towards its livelihood each year, then it was (at most) a rich peasant household.\(^{134}\) In applying this principle, however, there was a clear potential -- which appears to have been widely realized -- of discriminating against Overseas Chinese dependents.

\(^{133}\)The complicated land tenure arrangements in Guangdong, particularly in the delta areas, are discussed in Eng, "Institutional and Secondary Landlordism" and Ip, "The Design of Rural Development".  
\(^{134}\)On the State Council rules for determining class status during land reform, see "Zhongyang renmin zhengwuyuan guanyu huafen nongcun jieji chengfen de jueding" in Renmin Shouce, Vol. 1, 1951: 48-56.
Subsequently in 1956, Lo Lishi, Chairman of the Guangdong OCAC, said it was mainly the fault of land reform cadres for failing to distinguish landlords who profitted from feudal exploitation from those like the Overseas Chinese dependents who, because the main source of their family labour power was overseas, had no choice but to rent out their holdings. As mentioned above, dependents consisted almost entirely of women, the elderly and young children. Many of these people were physically incapable of engaging in agricultural production themselves, or else were unwilling to because of their dependence on overseas remittances. And since remittances, not rental income, were the main source of earnings for many dependents, their class status should have been determined according to the status of the remittance provider -- which, in the vast majority of cases it was held, was that of a member of the "labouring people".

Even for those domestic Overseas Chinese not classified as landlords, provisions were made to the effect that those who received regular remittances and did not themselves engage in agricultural production

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135 Qiaowubao 17 November 1956, p. 18.
136 Qiaowubao 17 December 1956, p. 10. The ARL, it was pointed out, distinguished between big and small landlords, but not between those for whom rent was the main source of income and those for whom it was not.
were to be allotted less land or none at all during the redistribution phase of land reform. According to Fitzgerald, the aim of this measure was to ensure that non-labouring domestic Overseas Chinese did not emerge from land reform with undue income and property advantages compared to the average peasant. But in the light of subsequent CCP statements on the right to receive remittance income, this measure was received by domestic Overseas Chinese as one more way in which they were unfairly persecuted during land reform.

The Impact of Unified Purchase and Marketing

It is impossible to understand the socialist transformation of Chinese agriculture meaningfully without understanding the crucial role played by the implementation of so-called Unified Purchase and Marketing (tonggou tongxiao) quotas. The introduction, in November 1953, of this system for the compulsory delivery of all surplus grain to the state at fixed, low prices, occupies a critical place in the history of socialist transformation, the crucial intermediary step between land reform and collectivization whereby the state effectively monopolized all trade in foodgrains (later the system
was extended to other agricultural products, including cotton and edible oils). As such, Unified Purchase was critically related to the political consolidation of communist rule in the countryside, the assertion of state control over the rural economy and, through the commandeering of the rural surplus, was intimately related to the state's industrialization goals under the First Five Year Plan.

Yet, relatively speaking, most western studies do not discuss much this enormously significant preliminary step, preferring to dwell instead upon the three stage formation of MATs, APCs and Advanced APCs. This lopsided emphasis is all the more surprising because, numerically and geographically speaking -- including Guangdong -- the actual process of socialist transformation did not much conform to the ideal pattern of advance through stages. Rather, most peasants experienced a transformation directly from private producers to members of full collectives. The following section by contrast looks closely at the role of Unified Purchase, and examines in detail the effects of its implementation upon the domestic Overseas areas in rural Guangdong.

Under the terms of Unified Purchase, peasants were required to deliver all surplus grain to the state, at
fixed low prices. On the supply side, the state maintained that with Unified Purchase it would be in a better position to guarantee adequate grain supplies to grain deficient households, and across the nation during incidences of local shortage. The officially stated purposes were to guarantee the supply of grain needed for both consumption and national construction, at low, stable prices.\textsuperscript{137}

Vivienne Shue describes Unified Purchase and Supply as "the primary vehicle for limiting rural consumption, making the peasant self-sustaining and capturing a surplus from agriculture for investment in industry."\textsuperscript{138} The progress of the state's planned industrialization drive as set out in the First Five Year Plan, depended absolutely on an ensured and growing supply of foodgrains to feed the rapidly expanding urban industrial proletariat. For example, in Anshan, the country's major iron and steel producing centre, using 1950 as the base index (100), the total

\textsuperscript{137}\texttt{RMB} 1 March 1954.

\textsuperscript{138}Shue, p. 184. Planned purchase played the more critical role in state economic planning. While planned purchase was a prerequisite to ensuring supply, the scope and purpose of planned purchase extended well beyond ensuring supplies. In addition to grain, planned purchase agreements soon covered cotton, tea, jute, peanuts, raw silk and cocoons, and other products. The quotas served as instruments for the state to dictate production levels and the agricultural crop mix in accordance with the needs and objectives of state plans.
volume of food sales rose to 138.72 in 1951, 204.51 in 1952 and 315 in 1953.\textsuperscript{139} Additonal figures reveal that the urban industrialization workforce rose on a national scale from around 6 million workers in 1952 to approximately 10 million by 1957.\textsuperscript{140}

In addition to supplying more grain to an expanding urban workforce, Unified Purchase also helped finance the development of industry in another way, through indirect support. As Nicholas Lardy maintains, as the First Five Year Plan for industrialization got under way in 1953 "The prices of grain and other agricultural products were critical because cereals were the major wage goods, and upward pressure on grain prices would give rise to the need for further increase in wages...increasing the state wage bill and thus reducing the resources available for investment."\textsuperscript{141} Unified Purchase solved this problem by enabling the state to capture control over the rural surplus. As Edgar Wickberg explains, "through government control of agricultural surplus, the terms of trade between countryside and city could be arranged in the latter's favour. By providing cheap grain to the city, urban

\begin{flushleft}
\textsuperscript{139}Tianjin DGB 2 March 1954 in SCMP 770.
\textsuperscript{140}Meisner, p. 124.
\end{flushleft}
industrial wages could be maintained at low levels, thereby subsidizing the growth of those industries."\(^{142}\)

Unified Purchase all but eliminated the free market in grain. After meeting their grain tax obligations and Unified Purchase quotas, peasants were permitted to sell any remaining surplus to the Supply and Marketing Cooperatives, or to government regulated markets set up on the site of the old village free markets. There is evidence that, for the first six or seven months at least after the introduction of Unified Purchase, deliberately very few of these markets were actually established, in order to channel even more grain into state coffers.\(^ {143}\) As a result, in January 1954 the state purchased three times as much grain as in January 1953.\(^ {144}\) According to the research of Dwight Perkins and Shahid Yusuf, in the first year of Unified Purchase total state grain purchases rose from 30.5 million tons to 41.5 million tons, or by a full 36%.\(^ {145}\)

Vivienne Shue, who has written the most in depth study yet of the rural socialist transformation, fails to address squarely the exploitative effects of the

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\(^{142}\) Edgar Wickberg, "Land Reform in Mainland China and Taiwan," *Peasant Studies* 4 (Fall 1978): 259. See also Eckstein, p. 5.

\(^{143}\) Shue, p. 225.

\(^{144}\) NCNA 1 March 1954 in *SCMP* 757.

imposition of Unified Purchase quotas on peasant income and consumption. Shue appears to understate the forcible nature of the compulsory grain sales in order to strengthen her own argument -- namely that the CCP skillfully restructured peasant choices in order to make the socialist path not just the sole remaining avenue open to peasants, but also the most appealing in terms of their material self-interests.

In fact, Unified Purchase encountered substantial peasant resistance. This was especially the case when a nationwide crisis in grain supply erupted in the spring of 1955. The cause of the crisis was excessive state purchases of grain supplies following upon the poor harvests and series of natural disasters in the fall of 1954. Shue interprets the crisis as proof, merely, that Unified Purchase had "in effect, been too

\footnote{One of the most articulate exponents of the negative effects of state control of marketing on peasant opportunities is Nicholas R. Lardy. See his chapter entitled "State Intervention and Peasant Opportunities" in Parish, Chinese Rural Development, as well as Lardy's 1983 work, Agriculture in China's Modern Economic Development, (Cambridge: Cambridge University Press, 1983). Of course, the strategy of using agriculture to finance industrial China is not unique to China nor limited to communist countries. It has been adopted by many third world governments, including, as Edgar Wickberg has pointed out, the GMD government on Taiwan. In the early 1950's, for example, the GMD government even introduced a system of compulsory deliveries similar to that in place on the mainland. See Edgar Wickberg, "Land Reform in Mainland China and Taiwan."}{147}

\footnote{Shue, p. 321-333.}{147}
successful." And in a footnote to that comment goes no further than to list the various explanations advanced by other scholars to account for the "extremely high level" of state grain requisitions in 1954; explanations which range from cadre overzealousness, deliberate stockpiling to prepare for collectivization, to the bourgeoning demands of the industrial sector.148

Vivienne Shue does acknowledge, however, that it was the "silent threat of peasants to cut production deliberately" that compelled Chinese planners to introduce the Three Fixes (sandǐng) policy in March 1955; a policy which Ezra Vogel has described as a "massive propaganda effort to win the cooperation of the peasantry."149 The Three Fixes consisted of the two existing quotas on buying and selling of grain, and a new, third fix on expected annual yield. All three were fixed for a period of three years, in order to motivate peasants to increase production.

The grain supply crisis of spring 1955 was especially severe in rural Guangdong, due to highly developed commercialized agriculture and the consequent dependence of peasants in many areas on outside supplies of grain. This was particularly true in the Overseas Chinese areas, and the impact of the grain

148 Ibid., p. 235.
149 Vogel, p. 140.
supply crisis on domestic Overseas Chinese was particularly severe. They were, arguably, among the worst affected in the province.

In order to understand the impact of the grain supply crisis on domestic Overseas Chinese, it is necessary to understand the nature of the Guangdong rural economy and the tasks assigned to rural Guangdong under the First Five Year Plan. Guangdong's designated role within the Plan was to be an increased supplier of grain; its "central task" (zhongxin renwu) under the plan therefore was to raise grain production.\textsuperscript{150} Not only was Guangdong required to feed itself (self-sufficiency was attained for the first time in 1953, and was much heralded at the time), the Plan called for the province to export grain to other regions as well, particularly those slated for rapid industrial development. The industrial development of Guangdong itself was not a priority under the First Five Year Plan.\textsuperscript{151}

Guangdong exported surplus grain in 1953, 1954 and 1955, as called for by the First Five Year Plan. But in August 1956 in a speech to the Guangdong People's

\textsuperscript{150}Liang, \textit{Guangdong jingji dili}; Li Zhongshi, "Guangdong Province on the Road to Five Year Plan Construction," \textit{Jingji daobao} 43 (November 7, 1955) in \textit{ECMM} 19.

\textsuperscript{151}See Riskin, p. 132-135.
Committee, Tao Zhu, then the province's most powerful official, bluntly insisted" (ji\u00e8d\u00f9ng) "that in future Guangdong's grain must fully supply (the needs of) this province, and only then can it be exported." He then went on to criticize those at the center who considered "only the system but not the people's welfare", and stressed the necessity of increasing consumption to stimulate the enthusiasm of Guangdong peasants.\textsuperscript{152} Tao Zhu's statement is significant on two accounts. Firstly, it speaks of the strain imposed on Guangdong peasants by the requirements of the First Five Year Plan; and secondly, it reveals that provincial grain "surplus" is a relative term, defined more by the state's extractive capability than by purely economic criteria.

Unified Purchase was not introduced into Guangdong until mid 1954, 6 months later than the rest of the country, due to the tardy land reform and its bitter results. But the delay made little difference in the end because, according to Vogel, the province was required to make up the shortfall with even higher quotas for the fall 1954 harvest. As a result, says

Vogel, by the spring of 1955 the grain situation in Guangdong was even more critical than in the rest of the country.\textsuperscript{153} To worsen matters further, between mid 1954 and mid 1955 Guangdong was struck by the worst series of natural disasters in ten years.\textsuperscript{154}

It is unfortunate that Ezra Vogel does not discuss the impact of Unified Purchase and especially the 1955 grain supply crisis on the domestic Overseas Chinese, because, as stated, they were arguably among the worst affected. The domestic Overseas Chinese suffered disproportionately precisely because their "special features" rendered them particularly disadvantaged and vulnerable. The introduction of Unified Purchase created pressure for "grain deficient" households to increase their cereal production. Many domestic Overseas Chinese households were grain deficient due to their being either unwilling or unable (for reasons of age and physical capacity, lack of production knowledge and dependence on remittances) to engage in agricultural production themselves. Overseas Chinese households were therefore acutely affected by this pressure for households to provide for their own grain

\textsuperscript{153}Vogel p. 139.
\textsuperscript{154}In July 1955 Gu Dacun said over the past year Guangdong peasants had suffered the effects of flooding, drought, frost and insect plagues. By July many still had not sown spring crops. \textit{RMRB} 27 July 1955. Cited in He, \textit{Zhonggong Qiaowu}, p. 56-57
needs, at a time when the private market for grain
—which Overseas Chinese households had in the past
depended heavily upon -- had shrunk to virtually
nothing, almost overnight.

Under the Three Fixes policy, those households
classified as grain deficient were assigned quotas of
grain they could purchase. But they were encouraged --
through the size of the purchase entitlement and by
personal pressure -- to remedy their own deficiencies
and not to rely on the state. The Three Fix policy
in other words discriminated against grain deficient
households -- a category which included the vast
majority of domestic Overseas Chinese households. For
domestic Overseas Chinese households that were grain
deficient because they chose to rely on remittances and
the free market for grain, there was little sympathy or
encouragement from local cadres and peasants to
continue not producing and to live off of state

Shue reported that in Hunan in 1955 the amount of
grain a grain deficient household could legally
purchase still left it below the consumption level of
grain surplus households. See. p. 238. According to
Thomas Bernstein, an important aspect of grain supply
crisis in 1955 was the comparatively low priority
assigned to supply in the Unified Purchase and Supply
equation. Thomas P. Bernstein, "Cadre and Peasant
Behaviour Under Conditions of Insecurity and
Deprivation: The Grain Supply Crisis of the Spring of
Barnett, ed. (Seattle: University of Washington Press,
supplies now that the free market was abolished. In commenting on the flight of many Overseas Chinese to Hong Kong during this period one of the delegates to the ACROCA in 1956 asserted that most of those who fled were just "people who ate all day and did nothing" (baoshi zhongri ersuo shishi), i.e. freeloaders on the system.\footnote{Zhongguo quanguo guiguo huaqiao lianhehui chengli dahui tekan, 2 vols. (Peking: Zhongguo quanguo guiguo huaazia lianhehui, 1957), vol. 1, p. 85.} Under the terms of the Three Fix agreement every grain deficient household was required to draw up concrete plans for increasing its grain production on a year to year basis and for limiting its consumption.\footnote{Shue, p. 237. HK \textit{WHB} 7 September 1955 in \textit{SCMP} 1126.} Under the Three Fixes, not only was the state going to purchase less grain, it was also going to sell less. There was a campaign to make up for cutbacks in supply by encouraging "thrift and economy" and the elimination of waste and extravagance in consumption habits -- again, something for which domestic Overseas Chinese had often enough been accused.

The severity of the crisis in the Overseas Chinese areas can be gauged by the fact that in March 1955 the Hong Kong government began restricting border crossings, in an effort to stem a growing tide of exodus, particularly among domestic Overseas Chinese with relatives in Hong Kong. In one village in
Taishan, for example, it was reported that 38 of the 52 Overseas Chinese families fled to Hong Kong. In July 1955 it was reported that in the 2nd and 5th districts of Enping county as well as in the main Overseas Chinese districts of Taishan, peasants were withholding public grain and stealing draught animals belonging to collectives. In August of the same year there were reports of acts of sabotage and murder in Renhua county, including the burning of local Party and government offices and assassination of officials.

That domestic Overseas Chinese suffered considerably during the grain supply crisis despite the government's recently stated intentions to extend special care towards this group was cause for sober reflection. The State Council Directive on remittances issued in February, just as the grain crisis was about to erupt, had called for extra grain allotments for domestic Overseas Chinese in order to help them offset the cost of weddings, funerals and other "feudal" celebrations. Yet, by the summer of 1955 He Xiangning was admitting to the NPC that the OCAC regrettably was "still not capable of promptly putting forward on the basis of the special characteristics of the returned

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158 GMRB 6 July 1955 in SCMP 1089.
159 He, Wei, Zhonggong qiaowu yu qiaoxiang, (Taipei: Zilian chubanshe, 1956), p. 64-66. The incidents cited are from documented PRC newspaper reports.
Overseas Chinese and Overseas Chinese dependents, namely their dependence on remittances, shortage of landholdings and lack of foodgrains, the necessary timely measures for ensuring their welfare, with the result that for a period there was a very tense grain supply situation in some Overseas Chinese districts.\textsuperscript{160}

Measures were undertaken as the crisis subsided to improve the situation of domestic Overseas Chinese, and to make good on the promise to ensure that their needs were looked after. So that in June 1955, for example, the rice ration for domestic Overseas Chinese in the Changzhou area averaged 10\% higher than that for ordinary persons.\textsuperscript{161} Domestic Overseas Chinese were granted higher rations for grain, cloth, oil, meat and sugar.\textsuperscript{162} And in 1956 Supply and Marketing Cooperatives in Overseas Chinese districts were instructed to open special retail stores catering solely to domestic

\textsuperscript{160}Cited in He, \textit{zhonggong qiaowu}, p. 57-58. See also \textit{Zhongguo quanguo guiguo huaqiao}, vol. 1, p. 94.

\textsuperscript{161}Fitzgerald, p. 62, 227. In another report, by July 1955 the grain supply quota for Overseas Chinese dependents was on the average 3-4 catties more than for other grain deficient households \textit{GMRB} 6 July 1955 in \textit{SCMP} 1093.

\textsuperscript{162}In Guangdong a special directive was issued calling on all Overseas Chinese affairs organs as well as commercial and procurement organs to cooperate in strengthening the supply of all basic daily necessities to Overseas Chinese households. Guiguo huaqiao xuexi ziliao, comp. \textit{Guangdong sheng huaqiao shiwu wei yuanshu xuanjiaoke} (n. p.; 1956).
Overseas Chinese and offering daily necessities as well as consumer goods not available or affordable by ordinary peasants. The state in attempting to make up for the failure of its promise to "take care" (zhagaogu) of the special needs of domestic Overseas Chinese, thus adopted further measures which ran clearly counter—in letter and in spirit—to the simultaneous efforts to encourage "thrift and economy" among the rural population as a whole.

Thus even as these new measures were being implemented, pressures were mounting for a reconsideration of their viability and even their desirability. The crisis of spring 1955 and its response added fuel to the debate on national agricultural policy that was rapidly coming to a head in China and was about to be resolved by Mao's July 1955 speech. The attempt to resolve the debate through rapid collectivization was to have important implications for domestic Overseas Chinese, and for the domestic Overseas Chinese policy in place since 1954. In short, it precipitated—indeed required—a rethinking of the mutual obligations owed between the state and returned Overseas Chinese and Overseas Chinese dependents.
A foreshadowing of this reappraisal can be glimpsed in the effort by Lo Lishi in late 1956 to distinguish what he maintained was a fundamental difference between the suffering inflicted upon domestic Overseas Chinese during land reform and the difficulties they experienced in grain supply, especially during the spring 1955 crisis. The former problem, he said, could have been largely avoided: it was the result of poorly thought out policies and crude errors of judgement. The more recent problem, however, was completely unavoidable: it was an objective problem, he said, one that had emerged in the course of the transition to socialism and that necessarily affected the entire rural population, not just domestic Overseas Chinese.¹⁶³

¹⁶³Qiaowubao 17 November 1956, p. 18.
CHAPTER IV: Contradictory Aims and Conflicting Interests: The Overseas Chinese Areas in Rural Guangdong and Socialist Transformation, Part II

Collectivization

In spite of an officially prescribed three stage process for socialist transformation (MATs, followed by APCs and Advanced APCs), on the eve of the "high tide" of collectivization the largest part of the Chinese countryside had undergone virtually no institutional transformation. Walker cites statistics which show that on a national level by the end of 1955 only 4% of peasant households had joined collectives, while by June 1956 the figure had risen dramatically to 63.2%. Guangdong was even behind the national average, due to the late completion of land reform and the series of natural disasters which struck in 1954-55. Consequently, it seems almost certain that the majority of Guangdong peasants progressed directly from the status of private farmers to members of full collectives (advanced APCs) during the "high tide" from August 1955 to summer 1956. There was, in other words, a leap into collectives -- which directly contradicted

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\[164\] Walker, "Collectivization in Retrospect", p. 34-35.
the long stated policy (reiterated even in Mao's July speech) of advancing steadily by stages.

Figures from Guangdong confirm this leap. Of the 15,000 APCs established nationwide by the end of 1953, 78.6% were concentrated in the north and northeast and only 4.2% in the south and southwest.\footnote{165} Furthermore, before spring 1954 there were no cooperatives at all in Guangdong.\footnote{166} In February 1954 the Statistical Bureau of the Guangdong government announced there were 190 APCs in the province. By contrast in the northeast plans were announced in January 1954 to create 7,700 new APCs -- one and one half times the existing number. And by as late as September 1955 only 7% of peasant households in Guangdong had joined APCs.\footnote{167}

Overseas Chinese participation in APCs appears to have been no more developed, and probably was very much less. For example, in May 1955 the results were published of a survey which followed up on Overseas Chinese whose class status had been changed. In 36 townships in Wenchang county, of 240 Overseas Chinese households that had their class status changed, 158 had joined MATs but still only 7 households or 2.7% of the

\footnote{165}{Walker, p. 16.}
\footnote{166}{ibid., p. 16.}
\footnote{167}{Liang, p. 17 HK DGB 25 August 1955 in SCMP 1117. On the progress of collectivization in Guangdong in general, see Vogel, p. 146-156.}
total had joined APCs. There were reports that getting Overseas Chinese to participate in APCs was less difficult in mountaineous and semi-mountainous regions, because Overseas Chinese in these areas tended to be more familiar and accustomed to agricultural labour and therefore more willing to organize. In fact, over 90% of Overseas Chinese dependents countrywide joined APCs during the "high tide" between summer 1955 and summer 1956, with only about 50% of this number joining APCs.

In principle, domestic Overseas Chinese participation in APCs was supposed to proceed no differently than for the rural population at large -- according to the twin principles of "voluntariness" and "mutual benefit" (to the individual and the collective). In practice, however, the opportunities for domestic Overseas Chinese within collectives were severely constricted by their "special characteristics." And just as under the conditions of Unified Purchase, these characteristics rendered them especially vulnerable.

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168 HK DGB 14 May 1955 in SCMP 1048.
169 CNS 31 December 1954 in SCMP 962; HK DGB 6 February 1955 in SCMP 982.
There is convincing evidence that many if not most domestic Overseas Chinese suffered a loss of income and a decline in living standards as a result of joining APCs.\footnote{Qiaowubao 17 November 1956, p. 18.} Official policy stated that local cadres were to proceed with the formation of Advanced APCs only if they could guarantee an increase in income for at least 90\% of the membership during the first year of operation.\footnote{Walker, "Collectivization in Retrospect," p. 29.} In most cases this was not a difficult criterion to meet, since the poor peasant majority which was found in most APCs would undoubtedly experience rising incomes when shares were abolished and remuneration was on the basis of workpoints alone.\footnote{Under APCs dividends were paid out on the basis of the means of production contributed to the APC (land, tools, etc.) and the amount of labour contributed. Under Advanced APCs, private ownership was abolished and remuneration was solely on the basis of workpoints earned through labour.} In this way, the formation of Advanced APCs was seen as the final stage in isolating rich peasants. But the effect of abolishing shares and basing remuneration solely on workpoints was also to discriminate across the board against the large numbers of domestic Overseas Chinese who did not engage in agricultural production themselves, whether rich or poor. So severe was this problem among Overseas Chinese dependents that in 1956 Lo Lishi, Chairman of
the Guangdong OCAC, admitted that the proportion suffering a decline in income after joining Advanced APCs was greater among Overseas Chinese dependents than the rural population at large, and greater, even, than among rich peasants. Consequently, said Lo Lishi, during the "high tide", when the masses of Chinese peasants were enthusiastically rushing to join collectives, many domestic Overseas Chinese were questioning whether collectivization was in their own best interests. In the first half of 1956 especially, this was a question on the minds of most domestic Overseas Chinese.174

The age and sex distribution of dependents was severely skewed, their numbers consisting almost entirely of women, the elderly and young children. Most therefore were unable to engage in agricultural production themselves. Instead, the "overwhelming majority" relied mainly on remittances for their livelihood. Official policy stated that if Overseas Chinese "volunteered" to invest their remittances in contributions to the welfare of their home areas their contributions were to be welcomed. The creation of APCs opened up the possibility for APCs to become the inheritors and prime beneficiaries of this historic

174Qiaoowubao 17 November 1956, p. 18.
tradition among Overseas Chinese. Overseas Chinese were invited to contribute to APCs in two ways: either directly, through depositing funds in the APC share fund (gufen jijin), or indirectly, through deposits in local credit cooperatives from which APCs could borrow. In July 1955 it was reported that in Taishan county Overseas Chinese accounted for 25% of the membership in the county's 254 credit cooperatives, but their deposits comprised 74.6% of the total funds.\textsuperscript{175}

So long as APC members continued to draw dividends on capital investment shares, there was no inherent disadvantage to Overseas Chinese using remittances for this purpose (there was a relative disadvantage, insofar as private investments would have yielded higher returns). In the "Trustworthy Cooperative" (xinyong she) on Hainan Island it was reported that local peasants and domestic Overseas Chinese had established very close relations, with the result that the APC fund had become the "trusted repository" for the remittances of all the dependents in the township. Consequently the APC was able to raise its production and increase the income of all its members.\textsuperscript{176}

During the course of collectivization, however, the forced "mobilization" (dongyuan) of Overseas

\textsuperscript{175}GMRB 6 July 1955 in SCMP 1093.
\textsuperscript{176}Zhongguo quanguo guiguo huaqiao, vol. 1, p. 99-100.
Chinese remittances for collective purposes emerged as a serious problem and a direct violation of the state's "long term" policy of protecting remittances and guaranteeing the right of recipients to dispose of them freely (ziyou shiyong). Especially during the "high tide" of collectivization there was considerable pressure put on Overseas Chinese dependents by local cardres to surrender their remittances to the APC for investment in productive purposes. "Mobilizing" remittances in this way was apparently regarded by some cadres as signifying a victory for socialism rather than a violation of the State Council directive on remittances: a modified, socialist version of the age old tradition of caring for the jiaxiang.

Dependence on remittances tended to foster a disdain for agricultural production and for manual labour in general. This was in fact regarded as one of the most salient and unsavory characteristics of dependents. As early as 1953 the First Guangdong Provincial Overseas Chinese Dependents Rural Production Conference was convened (a second was held in late 1956) to inculcate in dependents the belief that "labour is glorious." Judging from the frequency of

177See the comments by He Ziangning in her 1956 address to the NPC.
178CNS 29 October 1953 in SCMP 681. Just prior to the Conference, the Guangdong government allocated a hefty
references to it, this attitudinal deficiency was a serious and persistent problem from the point of view of officials concerned. Even He Xiangning, in her capacity as Chairman of the Central OCAC, roundly criticized the domestic Overseas Chinese in 1955 for their failure to appreciate that participation in production was not only a concrete manifestation of patriotism, but was vital to the progress of industrialization.\textsuperscript{179} The problem of getting domestic Overseas Chinese to participate in production was made much more difficult by the February 1955 State Council decree which guaranteed the right of domestic Overseas Chinese to live off remittances alone.

When it came to the formation of APCs therefore, the problem of Overseas Chinese participation in production was still far from resolved. In the Southern Tiger Advanced APC in Meixian county, 67 out of 278 domestic Overseas Chinese member households refused to participate in agricultural production, citing the State Council's guarantee of their right to live from remittances alone.\textsuperscript{180}

\textsuperscript{178}(cont'd) financial subsidy to Overseas Chinese dependents to get them started in agricultural production. Taishan county, for example, distributed some 570 million yuan for dependents to purchase oxen, ploughs, fertilizer, etc. CNS 24 October 1953 in SCMP 675; CNS 27 May 1954 in SCMP 817.\textsuperscript{179} CNS 7 February 1955 in SCMP 985.\textsuperscript{180} Qiaowubao 17 November 1956, p. 18. In her 1956
In analyzing the labour problems which faced domestic Overseas Chinese joining APCs, Lo Lishi admitted to a fundamental dilemma. On the one hand, he said, the "great majority" of domestic Overseas Chinese requested that their tasks within the collective be determined with "due consideration" of their "special characteristics", including some who demanded that they be exempt from all labour obligations. On the other hand, however, if domestic Overseas Chinese were to be entitled to a share of the collective dividends, it was essential that they engage in labour and accumulate workpoints like the rest of the collective membership. Otherwise, they would be members in name only. The dilemma was compounded by the fact that nearly all dependent households suffered from weak labour power and therefore were at a distinct disadvantage so far as accumulating workpoints was concerned.\textsuperscript{181}

Even those domestic Overseas Chinese who were capable of contributing productively to APCs frequently complained that proper use was not being made of the skills they had to offer. Especially among returned Overseas Chinese, there were many who possessed special

\textsuperscript{180}(cont'd) speech to the NPC, He Xiangning supported the legitimate right of domestic Overseas Chinese to be exempt from labour obligations within APCs if they received regular remittances. "Jinyibu zhixing qiaowu zhengce," p. 269.

\textsuperscript{181}\textit{Qiaowubao} 17 November 1956, kp. 18.
technical and professional skills acquired overseas. In fact, during the 1950's the government was actively encouraging such persons to return to China and contribute their skills to socialist construction of the motherland. But there were frequent complaints that the "specialized skills" \((laodong zhuanchang)\) of these returned Overseas Chinese were being ignored by APC cadres responsible for work assignments, thus indicating that a tension likely existed between poorly educated cadres (it was policy to recruit APC "backbone" \((gugan)\) cadres from among the poor peasant ranks) and better educated \(huaqiao\). It was not uncommon to find such \(huaqiao\) employed in tasks far from commensurate with their qualifications and skills: dentists worked as dispatchers, highly skilled artists functioned as sales clerks, etc.\(^{182}\)

Historically, Guangdong peasants had supplemented their meagre landholdings by growing cash crops and

\(^{182}\)He, "Jinyibu zhixing qiaowu zhengce", p. 271. In an interesting twist to this problem, a delegate to the 1956 ACROCA meeting (himself a medical doctor returned since 1949) proposed that those who studied natural sciences abroad should have their specializations put to use, because the laws of the natural sciences "had no class basis" \((meiyou jiejixing)\). But those who had studied political theory or the social sciences abroad should not necessarily have their specializations recognized, because the systems of capitalist and socialist thought are "fundamentally opposed to one another \((guben duilide)\). Zhonghua quanguo gui guquo \(huaqiao\), 1:16.
engaging in a variety of "sidelines" (fuye) such as aquaculture (which was highly developed in Guangdong), raising of pigs, fruit, etc. Most of these sidelines required little capital expenditure to develop and only marginally extra labour output. As a result sideline production was highly developed in Guangdong, accounting for a substantial portion of total agricultural income.\(^3\)

Because of the minimal labour requirements, sideline production and certain cash crops were especially highly developed in the Overseas Chinese areas of rural Guangdong. In Shunde county, for example, nearly all agricultural land was devoted to economic crops. On the average, Shunde imported 110 million catties of rice each year from beyond its borders.\(^4\) An investigation of the situation in Xinhui township in the Overseas Chinese county of Taishan revealed that in years of abundant harvest locally cultivated rice provided for the grain needs of the population for 6-9 months of every year. For the other 3-6 months most persons depended on sidelines and cash

\(^3\) In neighbouring Fujian, with similar conditions to Guangdong, cash crops and sidelines made up 52% of the total agricultural income in the mid 1950's, including 24% from sidelines alone. *Qi aowubao* 17 December 1956, P. 1.

\(^4\) HK *WHB* 17 June 1955 in *SCMP* 1073.
crops to meet their grain consumption needs.\textsuperscript{185}

The 1956 Guangdong Returned Overseas Chinese Work Conference recognized that in Overseas Chinese areas, because land was in short supply and labour power generally weak, there was an established tradition of diversified economy and much sideline activity.\textsuperscript{186} Encouraging domestic Overseas Chinese to engage in sideline activities and the cultivation of certain economic crops was seen by Overseas Chinese affairs officials as a potentially promising way to overcome the problem of weak labour power in Overseas Chinese households and resultant declining income after joining APCs. It also would solve the problem of making Overseas Chinese into productive members of the APC, would represent a more rational allocation of labour within the cooperative, and at the same time enable at least 90\% of domestic Overseas Chinese APC members to raise their Overseas Chinese incomes.\textsuperscript{187}

The effort to turn domestic Overseas Chinese into fully participating and productive APC members centered, therefore, on the promotion of sideline activities.\textsuperscript{188} Domestic Overseas Chinese households

\textsuperscript{185}Qiawubao 20 March 1957, p. 7.  
\textsuperscript{186}Qiawubao 20 February 1957, p. 2.  
\textsuperscript{187}Qiawubao 17 November, 1956, p. 18.  
\textsuperscript{188}In Xingfu Advanced APC in Chaoan county, 134 out of 146 dependent households were able to increase their incomes by raising pigs and growing fruit. Qiawubao 17
were to be allowed to form their own production units within APCs at the level of team (dui) or small group (xiaozu), for the purpose of engaging exclusively in sideline production -- not unlike the "specialized households" operating in rural China today (Guangdong has by far the largest number of such "specialized households" of any province). As well, there were demands for full recognition of the legitimacy of family sidelines (jiating fuye), as distinct from sidelines under APC management.\textsuperscript{189}

The case for active domestic Overseas Chinese participation in collectives rested, therefore, upon the general case put forward for developing a "diversified economy" (duozhong jingji) and "diversified management" (duozhong jingying) -- thus entangling the fate of the domestic Overseas Chinese in the pendulum debate which engulfed these two controversial issues.\textsuperscript{190}

Leading Overseas Chinese affairs cadres pointed out that both the CCP Central Committee and the State Council, in its directive on setting up APCs, had stressed that collectives ought to "open up production avenues, develop sideline production, and manage

\textsuperscript{188}(cont'd) December 1956, p. 4.
\textsuperscript{189}\textit{Qiaowubao} 17, November 1956, p. 18.
\textsuperscript{190}\textit{Qiaowubao} 17 December 1956, p. 4.
diversified economies" (Kaiping shengchan lu, fazhan fuye shengchan, jingying duozhong jingji).\textsuperscript{191} Reports on the progress of collectivization in Guangdong also stressed the virtues of a "diversified economy" for solving the problems of particular localities. In Jiangbu township in Guangning county, a semi-mountainous area where farming opportunities were limited and with a high population to land ratio, the development of a diversified economy including many types of sidelines was reported to be the only way APC members could increase their incomes.\textsuperscript{192} In Tianmeicun APC in Taishan, on the basis of "uniting the policy of diversifying production with the concrete local situation", the APC decided to make the opening up of wasteland its main effort. It then organized special "mountain area production teams" (shanchu shengchan dui) in which those who were relatively old or otherwise lacking in labour power were grouped together to be responsible for livestock rearing and other sidelines. In this way the APC was able to put to productive use what otherwise would have been classified as surplus labour.\textsuperscript{193}

\textsuperscript{191}He, "Jinyibu zhixing qiaowu zhengce", p. 270.
\textsuperscript{193}ibid., p. 996-1001.
According to Nicholas Lardy, between 1949-1957 regions were on the whole encouraged, through the mechanisms of prices and state grain supply, to specialize and pursue comparative advantages in the areas of livestock rearing and cash crop production. It was not until after 1965 that specialization was officially and completely discouraged in favour of a policy of local foodgrain self-sufficiency. However, the issue of foodgrains versus cash crops and sidelines did emerge during collectivization as well, with important political as well as economic ramifications (indeed the debate was as much political as economic; it would be unrealistic to attempt to separate the two.) This was especially the case during the "high tide" of collectivization.

Lardy notes that collectivization coincided with the socialist transformation of most remaining forms of private commerce to state control and thus produced a "concomitant squeeze on the remaining rural private

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194 According to Lardy's calculations, between 1953-1956, for example, half of all grain collected by the state through procurement and taxes was resold in the countryside. Nicholas R. Lardy, *Agriculture in China's Modern Economic Development*, (Cambridge: University Press, 1983), p. 48.

activities, particularly household sidelines". The constriction of sidelines was the result of political pressure as well, in addition to the deliberate silting up of the last remaining channels of private commerce. Some APCs criticized the raising of pigs and ducks and the engagement in sidelines as a waste of foodgrain and a "spontaneous tendency" (zifa quanli) towards "capitalist thinking". Some APCs put a halt to sidelines managed by households, considering that labouring for family concerns (jiawu laodong) did not constitute true "labour" from the APCs point of view. In Guangdong as a result, although absolute production figures increased during collectivization, levels were beginning to fall behind for certain important products, including silkworms, peanuts, jute, rapeseed. The biggest drop was recorded in pig production. On the whole, said He Xiangning, in many Overseas Chinese districts sideline production was down by one third to one half.¹⁹⁷

Not only was there an ideological attack on sidelines, as manifesting a spontaneous tendency towards capitalism. In some areas the conversion to Advanced APCs resulted in a "one-sided emphasis" on foodgrain production. According to Ezra Vogel, "the

¹⁹⁶Lardy, Agriculture, p. 38.
¹⁹⁷He, "Jinyibu zhixing qiaowu zhengce", p. 269.
ultimate goal of cooperatives had been to increase grain production rapidly.\textsuperscript{198} This substantially hurt the incomes of many Overseas Chinese households who knew only sidelines and were unable or unwilling to engage in agricultural field labour.\textsuperscript{199} In Shunde county, for example, mulberry trees were cut down so land could be converted to rice paddy, causing a great loss of silkworms. In Kaiping county orange trees were chopped down and garlic growing stopped during collectivization.\textsuperscript{200}

The "one-sided emphasis" on grain production during collectivization may also have been partly the result of Guangdong's role in the First Five Year Plan as an increased supplier and exporter of foodgrain. While there was a great deal of lip service paid to the concept of building a "diversified economy" under "diversified management", the grain requirements of the First Five Year Plan, in combination with political pressures (especially during the "high tide" of collectivization) which identified household sidelines with rural capitalism, worked strongly against the chances of a truly diversified economy developing and surviving.

\textsuperscript{198}Vogel, p. 175.  
\textsuperscript{199}Qiaowubao 20 March 1957, p. 7; "Jinyibu zhixing qiaowu zhengce", p. 269.  
\textsuperscript{200}He, "Jinyibu zhixing qiaowu zhengce", p. 269.
In the final analysis, the trend in agriculture in Guangdong during the rural socialist transformation was in the general direction of a declining emphasis on cash crops and sidelines, and greater stress on foodgrains.\textsuperscript{201} It was this pressure which led Tao Zhu in 1956 to assert strenuously the right of Guangdong to resist state-determined export quotas on the province's foodgrains, based upon imaginary "surpluses" subjectively calculated by the center according to the needs of "the system" and not the people. And while not the only ones affected, the domestic Overseas Chinese as a group who clearly were among the worst victims of these combined economic and political pressures.

The Inherent Weaknesses of Domestic Overseas Chinese Policy

Responsibility for overseeing the concerns of domestic Overseas Chinese and for the implementation of domestic Overseas Chinese policy was a three way split between Party (under the United Front Work Department), state (the Central OCAC and its branches) and mass organizations (Returned Overseas Chinese Associations, \textsuperscript{201}See Lardy, \textit{Agriculture in China's Modern Economic Development}.}
which included dependents as well). The administrative structure was characterized, in typical Soviet and PRC fashion, by a matching hierarchy and the cross appointment of important officials at all levels. Of these various organizations, it was the Returned Overseas Chinese Associations (ROCA) and the local OCAC work committees whose primary function was to mobilize domestic Overseas Chinese at the village level. Their task was to promote domestic Overseas Chinese participation in socialist construction, and at the same time to see that their privileges were respected. It is in the reports and proceedings published by these organizations, therefore, that one finds the most revealing and forcefully articulated evidence of the tensions and difficulties of implementing domestic Overseas Chinese policy during the rural socialist transformation.

The precise relationship between the policy for socialist transformation and domestic Overseas Chinese policy was never really made clear by central authorities. And the resulting confusion and conflict between the two was never successfully resolved by those responsible for their dual implementation at the base. As has been the case in many PRC policy areas, the strategy of the central authorities was to sketch
broad policy guidelines, and leave plenty of scope for local cadres to work out their own solutions to the detailed problems of implementation in specific localities.\textsuperscript{202}

The difficult and contradictory task of the local ROCAs and OCAC work committees was to balance "privilege against participation, freedom against control, (and) persuasion against force."\textsuperscript{203} In early 1957 one Overseas Chinese affairs official expressed the contradictions bequeathed to local Overseas Chinese affairs organs by the Party center in the following way: "Some people", he began, "feel that the Party has two seemingly different (bu xiangrong de) policies: one for the socialist transformation of agriculture, one for Overseas Chinese affairs." To eliminate the confusion it was necessary, he said, to make it clear to all concerned that domestic Overseas Chinese policy was definitely "subordinate to" (fucong yu) the Party's "general line" for the transition to socialism.\textsuperscript{204}

But the "subordination" of domestic Overseas Chinese policy to socialist transformation was never clearly articulated by central authorities between 1953-56 -- indicating, perhaps, that central

\textsuperscript{202}Shue, p. 5, 8, 332, Bernstein, "Mass Mobilization".
\textsuperscript{203}Fitzgerald, p.20.
\textsuperscript{204}Qi aowubao 20 February 1957, p. 10-11.
authorities may have been as confused over the issues as cadres on the ground. Another reason for the failure of leading domestic Overseas Chinese officials to spell out the relationship may have been that the formulation of domestic Overseas Chinese policy was highly centralized. Key decisions were made by officials who were as much and perhaps more concerned with the external ramifications of their decisions as they were by any internal "side-effects" those decisions might have on society at large (as distinct from their effects on the domestic Overseas Chinese population, which obviously was of primary concern.) The policy of protecting remittances, for example, was undertaken with an ultimate aim to increasing their flow -- which originated with the huaqiao abroad. Therefore the uppermost concern of policymakers was the effects of the remittance policy on the huaqiao abroad. Internally, their concern was that remittances be protected. If that made for contradictions with other domestic policies, it was up to basic level cadres to resolve.

The problem for local cadres was that they were both too far removed from the concerns which preoccupied domestic Overseas Chinese policy makers at the center, and too close to the grass roots political
heat generated by the campaign for socialist transformation. They were caught, in words, in the attempt to mediate between competing aims and conflicting strategies.

For those officials for whom Overseas Chinese policy was of primary concern, there was also an intractable bureaucratic and administrative problem. The bureaucratic difficulty confronting the implementation of domestic Overseas Chinese policy was not a unique one; but under the political circumstances it turned out to be fatal.

Like many policies, Overseas Chinese concerns spilled over across departmental boundaries and compartmentalized bureaucratic responsibilities. The diffuseness of Overseas Chinese concerns was even greater than in most other policy areas (such as agricultural policy, or industrial policy.) If anything, Overseas Chinese affairs resembled something like "women's affairs", in the extreme diffuseness of their concerns (it was the presence of external as well as internal concerns that uniquely defined Overseas Chinese work.)\textsuperscript{205} The commonly used term "Overseas Chinese work."\textsuperscript{205}

\textsuperscript{205}Fitzgerald also draws a similarity between Overseas Chinese policy and policy towards national minorities. He points out, correctly, that it is the external component of policy that makes Overseas Chinese policy unique in the PRC. Policy towards Muslim minorities in the PRC, for example, is not formulated with a view to
Chinese affairs" (huaqiao shiwu, or qiaowu) refers to this multi-faceted range of concerns, which bear upon everything from foreign policy to education, rural development strategy to youth concerns, industrial policy and cultural policy, etc. etc.

What this meant was that there were very few areas of Overseas Chinese work which did not require the coordination and active cooperation of other departments in the bureaucracy. The protection of remittances, for example, required the setting up of special banking provisions and facilities, as well as cooperation of APC cadres to ensure remittances were respected as the private property of the individuals for whom they were intended, and not regarded as part of the collective assets.

To relieve the problem of overlapping administrative concerns, the central Overseas Chinese affairs administration was organized along the lines of a committee or commission (weiyuanhui). The committee principle of organization in the PRC was specifically designed to facilitate consultation, cooperation and joint coordination between different departments with overlapping concerns.206 As an example, the central OCAC

205(cont'd) its effects on Muslims in other countries. See Fitzgerald, p. 15.
206On the committee principle of organization in the PRC and the manner in which it functions, see
included in its committee membership representatives from the Ministries of Education, Finance, Commerce and others. According to Fitzgerald, the most significant trend in the evolution of the central OCAC since 1949 "has been a consolidation of its coordinative function". A similar composition prevailed in the provincial OCAC branches, and in the OCAC Work Committees established at the township (xiang) level since 1955.

But the committee principle was not able to completely overcome the policy implementation problems presented by the diffuse nature of Overseas Chinese affairs. The problem lay in the fact that Overseas Chinese concerns were of primary importance only to officials in the Overseas Chinese affairs organs themselves. For officials in other departments of the bureaucracy, the "special interests" of domestic Overseas Chinese were of only minor concern. Furthermore, given the smallness of the domestic Overseas Chinese population compared to the national constituency, and given the narrowness of these interests compared to policies for the population as a whole, officials in other departments were prone to look upon the "special interests" of the domestic

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206 (cont'd) Schurmann, p. 89, 188-194.
207 Fitzgerald, p. 17.
Overseas Chinese as both trifling and meddlesome.

Most important, the "special interests" of the domestic Overseas Chinese in the mid 1950's were clearly running against the prevailing political winds which were building as the campaign for socialist transformation gathered speed. Looking after the "special interests" of the domestic Overseas Chinese frequently tended to mean sacrificing the spirit, if not the actual letter, of national policies intended for the population at large. Involving as they did catering to the interests of a small privileged minority, the almost reflexive response of many non-Overseas Chinese affairs officials was to either ignore responsibility for those special concerns, or else to deflect responsibility for them to others. Such reluctance to deal with Overseas Chinese concerns was reinforced by the knowledge that, during this period, it was usually always safer to err on the side of "leftist adventurism," rather than to stand accused of "right opportunism."

Besides the institutional mechanism provided by the committee principle of organization for soliciting cooperation from outside departments, in the mid-1950's

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208 This complaint was voiced by many local delegates to the first ACROCA in 1956. See Zhonghua quanguo guiguo huaqiao vols. 1 and 2.
Overseas Chinese affairs officials made repeated calls for greater propropagandization of Overseas Chinese policy at the base level as the key to successful implementation. In 1955 He Xiangning blamed inadequate propagandization at the base for the failure of local cadres to protect remittances, saying that many local officials had not even heard of the center's remittance policy. And in 1956 the Guangzhou People's Congress called for an "Overseas Chinese Policy Propoganda Week," which would demand the participation of all cadres, not just those in the Overseas Chinese affairs organs.

Others saw the solution to the problem of bureaucratic responsibility as requiring the recruitment of many times more cadres specially trained in the affairs of the domestic Overseas Chinese. So complex and multi-faceted was the range of domestic Overseas Chinese concerns, the first ACROCA was told by the delegate from Meixian, that it was simply unrealistic to think these could be adequately treated when only a few cadres were specialized in Overseas Chinese affairs. There was a need to build up more Overseas Chinese affairs organs at the local level. It was necessary, too, to overcome the reluctance of upper

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209 Jinyibu zhixing qiaowu zhengce, p. 268.  
level (shangji) Overseas Chinese organs to send down (xiaxiang) their own specialized cadres to investigate local problems, as well as their preference to have these local problems investigated and reports "sent up" by "ordinary cadres" (yiban ganbu).211

Bureaucratic confusion and reluctance to deal with the huaqiao problem were not, however, the greatest difficulties facing domestic Overseas Chinese affairs in the mid-1950's. Rather, these bureaucratic manifestations were symptomatic of a deeper problem afflicting the domestic Overseas Chinese policy. The most critical contradiction confronting domestic Overseas Chinese policy, and the more crucial cause of bureaucratic confusion and paralysis, was its conflict with the class-based strategy that was at the heart of the CCP's approach to collectivization. It was the growing emphasis and importance of class, class consciousness and class struggle which ultimately caused the demise, by 1957 at the latest, of the domestic Overseas Chinese policy put in place at the onset of collectivization.

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211 In Zhongshan county, a county level ROCA was not set up until 1955. Within one year it had a membership of 1400, but that still only represented one for every 714 domestic Overseas Chinese in the county. Zhonghua guanguo guiguo huaqiao, 2:102.
On the basis of statistics gathered during land reform, the CCP claimed in the mid 1950's that the rural class composition of the domestic Overseas Chinese population corresponded to that of the rural population as a whole. In 1952, the class composition of the domestic Overseas Chinese population was said to be 65% poor and hired labourers, 25% middle peasants, 8% other labourers and 2% landlords and rich peasants.\(^{212}\) That compared to the following figures for the rural population as a whole: 70% poor peasants, 20% middle peasants, 6% rich peasants and 4% landlords.\(^{213}\)

But while the CCP repeatedly asserted the basic sameness of the class composition of domestic Overseas Chinese and peasants in general, and professed that "the great majority" of huaqiao and their dependents were "labouring people" (\textit{laodong renmin});\(^{214}\) nevertheless, on the basis of their "special characteristics" the domestic Overseas Chinese population clearly stood apart from the general peasant population in important respects -- and more

\(^{212}\)\textit{NFRB} 2 October 1952. Cited in Fitzgerald, p. 212. In 1978 Liao Chengzhi claimed that in 1953 a total of 3.5% of the 6 million dependents in Guangdong were classified as landlords during land reform. Liao, p. 18.


\(^{214}\)Qiao, "Haiwai guanxi hei liu tiao de fandong shizhi", in \textit{Bixu zhongshi qiaowu zhengci}, p. 37.
importantly were officially singled out as such. The domestic Overseas Chinese during the mid-1950's were a designated "special interest" group in rural society, the object of a full scale "united front" effort. The expressed need at the same time to stress the normal distribution of classes among them reflected the fundamental ambivalence of domestic Overseas Chinese policy when applied to the strategy for rural socialist transformation.

For while the makers of Overseas Chinese policy treated the domestic Overseas Chinese as a separate, unified category defined on the basis of their various shared "special characteristics," the social engineers of rural collectivization were counting on a class-based strategy to attract peasants into collectives. Overseas Chinese cadres working within the Returned Overseas Chinese Association, charged with mobilizing domestic Overseas Chinese (including dependents) at the village level, frequently complained of the difficulties obtaining in mobilization because of the contradiction which existed between the Associations being "multi-class organizations" (duo jieji de hunhe zuzhi) on the one hand, and the equally real class-based contradictions which existed within their membership on the other. Cadres working within
these Associations were unsure of whether to exploit class differences to promote class struggle, or whether to work to paper over these differences in the interests of maintaining a "unified front." Frequently, they stood accused of "concentrating on one thing, while losing sight of the other" (*guci shibi*).\(^{215}\)

The avowed strategy for promoting collectivization was to rely on the class interests of poor and middle peasants, especially the lower-middle peasants (including the so-called "new" lower-middle peasants; in other words those who had experienced upward mobility as a result of land reform). According to Mao in his July 1955 speech, this meant that collectivization could count on the immediate support of at least 60-70% of the rural peasant population.\(^{216}\)

As Vivienne Shue puts it, the overall strategy of the CCP was to "highlight the opposition of interests" among different classes within the villages.\(^{217}\) "The

\(^{215}\) *Qiaowubao* 17 December 1956, p. 13.
\(^{216}\) *Xueiji* 11 (November 1955). The Model Regulations for setting up APCs stated that rich peasants and former landlords should not be permitted to join APCs in the first two years of their operation. See Article 11 in the *Model Regulations for an Agricultural Producers' Co-operative* (Peking: Foreign Languages Press, 1956), p. 11. In practice, APCs often yielded to the superior skills and capital offered by rich peasants and admitted them prematurely. There were also some calls to disband APCs made up entirely of rich peasants.
\(^{217}\) Shue, p. 284.
deliberate effort to highlight, exacerbate, and then manage class-based struggles in the villages was...(the) chief method of achieving social reform and political change."²¹⁸ And indeed, the theoretical journals for cadres were, during this period, replete with tracts exuding a buoyant self-confidence and subjective certainty of the state's ability to realize its socialist aims through a careful and "scientific" management of rural class struggle.²¹⁹

But in the Overseas Chinese areas of rural Guangdong the class-based strategy ran directly up against the intractable realities of the "special characteristics" of the domestic Overseas Chinese. It also clashed directly with the domestic Overseas Chinese policy which had been designed to cater especially to those characteristics. It is interesting to note that women's work was deliberately downplayed in the villages during socialist transformation, in order not to stir up family and other conflicts that might divert attention from the main issue of class struggle.²²⁰ No such similar effort was made to subdue

²¹⁸Ibid., p. 29.
²¹⁹As a representative example of this mood which prevailed nearly all discussions of collectivization strategy, see "Yao naixin deng dai buyuan rushe de nongmin de juewu," which appeared in Xuexi 11 (November 1955).
²²⁰Shue, p. 29.
the claims of domestic Overseas Chinese policy and make it officially clear that class struggle was of greatest importance. In fact, in Guangdong the socialist transformation proceeded amidst repeated pleas to respect the privileges of domestic Overseas Chinese and claims that these privileges were being trampled on. In 1956, Overseas Chinese work was listed as the province's "central task".\textsuperscript{221}

The confusion and ambivalence produced by the collision of collectivization strategy with domestic Overseas Chinese policy is well-illustrated by the discrepancies found in two different official sources, with different readerships and different objectives, each discussing collectivization in the same Overseas Chinese areas of rural Guangdong. The three volume series \textit{Zhongguo nongcun de shehui zhuyi gaochao} (The High Tide of socialism in China's Peasant Villages) is widely recognized as one of the most important sources for the study of collectivization in China.\textsuperscript{222} Written in the nature of "field reports", and sanctioned by the CCP Central Committee, the \textit{gaochao} series offers researchers a literal step by step account of how collectivization proceeded in particular localities:

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\textsuperscript{221} Fitzgerald, p. 229. \\
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the problems encountered, the lessons derived, particular local features affecting the course of the campaign, etc. But in the reports from the Guangdong counties of Taishan, Zhongshan, and others, each of which contains a large Overseas Chinese presence, a discussion of the special concerns of domestic Overseas Chinese and how these concerns affected the implementation of collectivization in these counties is conspicuously absent. In fact, in the reports from these counties the domestic Overseas Chinese presence is not even mentioned. Instead, the class-based strategy of collectivization appears to be working with precision: cadres are making common cause with the poor peasants, uniting them with the lower middle peasants to isolate the rich peasants, etc. On the other hand if one examines the proceedings of the first All-China Returned Overseas Chinese Association meeting held in Peking in 1956, one finds that the reports of the domestic Overseas Chinese delegates from these same counties dwell almost exclusively on the problems of domestic Overseas Chinese in APCs, and of the tensions between domestic Overseas Chinese policy and collectivization policy. It is here that many delegates complained of the confusion between the objectives of class struggle and united front aims,
widespread "mobilization" (dongyuan) of remittances for collective use, forcing dependents to engage in agricultural production against their will, etc.223

The contradiction which appears in these two sources mirrors the contradictions which characterized collectivization in the domestic Overseas Chinese areas of rural Guangdong. It demonstrates, vividly, the confusion which prevailed in official circles over how to handle Overseas Chinese "special concerns" during collectivization: whether to defend them, or simply ignore them.

As the "high tide" of collectivization mounted in the domestic Overseas Chinese areas of Guangdong between July 1955 and summer 1956, domestic Overseas Chinese policy was placed under increasing stress, and the domestic Overseas Chinese themselves were increasingly unable to withstand the mounting pressures for conformity.224 The domestic Overseas Chinese had at first tried to remain as aloof as possible from the collectivization campaign. Over 90% of Overseas Chinese dependents joined APCs only during the "high tide" between July 1955 and July 1956 (only 50% joined Advanced APCs during this time).225 As the emphasis on

223 See Zhonghua quanguo guiguo huaqiao, 2 vols.
224 Fitzgerald, p. 62.
225 He, "Jinyibu zhixing qiaowu zhengce", p. 268.
equality and class struggle mounted, there was less and less willingness on the part of officials and ordinary peasants to tolerate the kinds of privileges accorded the domestic Overseas Chinese. As Fitzgerald has pointed out, "the point about domestic Overseas Chinese privileges...was that they were not the kind normally permissible within China's socialist framework: holidays in Hangchow for model workers, chauffeur-driven cars for busy officials, or higher salaries for experts. They were bourgeois, capitalist, and, by the Party's own definition, even 'feudal'."\(^{226}\)

Throughout 1957, reports on Overseas Chinese work spoke of a serious problem of peasant resentment of Overseas Chinese.\(^{227}\) Within APCs, there was growing talk of the dangers of friction if the "special interests" of domestic Overseas Chinese members were placed higher than those of "the peasants." Furthermore, "looking after" (\textit{zhāogǔ}) the "special characteristics" (\textit{tediān}) of the domestic Overseas Chinese did not mean being "over-accommodating" (\textit{qiānjiū}) of those characteristics. Because, said a \textit{Qiaowubao} editorial, the goal of looking after the domestic Overseas Chinese was to promote their participation in socialist transformation and socialist

\(^{226}\) Fitzgerald, p. 63.

\(^{227}\) ibid., p. 63.
construction -- not to go on "looking after and looking after" (zhaogu er zhaogu).\textsuperscript{228} There also were clear signs of the triumph of class over unified front tactics: reports spoke of the need to cater to the interest of the domestic Overseas Chinese poor and middle peasants "first", before considering the interests of domestic Overseas Chinese rich peasants.\textsuperscript{229}

The most unequivocal statement of the imminent abandonment of the domestic Overseas Chinese policy in effect since 1954 came from the editorial office of the Qiaowubao, the official monthly organ of the central OCAC, in October 1957, on the occasion of summing up the first year of its publication. The editors stated, bluntly, that "our consideration for the special characteristics of returned and dependent Overseas Chinese is a means, and not an end in itself. Special characteristics can be changed and transformed."\textsuperscript{230}

This was indeed the essence of the domestic Overseas Chinese policy which emerged in 1958, and which remained in place until the outbreak of the Cultural Revolution.\textsuperscript{231} By the time collectivization

\textsuperscript{228}Qiaowubao 17 December 1956, p. 10.
\textsuperscript{229}ibid.
\textsuperscript{230}Quoted in Fitzgerald, p. 64.
\textsuperscript{231}On the new domestic Overseas Chinese policy which emerged in 1958 and remained in place until the Cultural Revolution, see Fitzgerald, p. 63-69.
was completed in the domestic Overseas Chinese areas of rural Guangdong the inherent weaknesses of domestic Overseas Chinese policy were obvious. It was equally obvious that these weaknesses would not withstand elemental force of the Maoist vision that appeared with collectivization and was waiting, restlessly on the Chinese political horizon, ready to burst forth.
CONCLUSION

This study began with the observation that western historiography of the socialist transformation of rural China has suffered from an impoverished sense of local differentiation. It has tried to redress that problem in part, by an examination of how socialist transformation was experienced in the Overseas Chinese areas of rural Guangdong, one of the major social realities of South China and one of the CCP's most complicated and difficult historical inheritances.

Much of the western scholarly literature on the subject of rural socialist transformation does not emphasize much the importance of local differences and local diversity. Much of the existing literature on the subject has been primarily concerned with analyzing the movement from a national perspective. Prevailing views tend to characterize the transformation as smoothly successful on a national scale -- particularly as compared to the much less smooth and obviously far less successful Soviet experience in the 1930's.\textsuperscript{232}

The comparative national success of the Chinese Communists in achieving collectivization rapidly and

without a catastrophic concommitant loss of life and production has been attributed to many factors, which range from historical to strategic and organizational. These include the agrarian nature of the revolution in China (as compared to the Bolsheviks' triumph through seizure of the cities) and its long period of maturation during which the CCP gained extensive familiarity and experience with rural problems and peasant concerns; the organizational strength and abilities of the CCP in the countryside, which also were a legacy of the Party's essentially rural roots since the late twenties; the experienced ability of the CCP to develop and manage class struggle in rural villages, together with the CCP's power as a national government to manipulate the economic environment of the peasantry in such a way as to ensure peasants' self-interests converged with their class interests; and the imposition of a powerful new ideology and complex organizational system on a weakened and exhausted nation.

Almost none of these above-mentioned factors cited to explain the success of collectivization nationally could be said to exist in the Overseas Chinese areas of rural Guangdong. The situation in these areas on the eve of collectivization was the product of their unique
historical experience. This is an important point to bear in mind in formulating overarching explanations of change: that individuals, groups in society, regions, institutions, etc. may be profoundly influenced by their unique past.

The situation in the Overseas Chinese areas in the 1950's, and therefore the character of socialist transformation in these areas, was profoundly influenced by the unique historical development of these areas. Organizationally, before the establishment of the PRC the CCP presence was barely felt in the Overseas Chinese areas, which were major GMD support areas in Guangdong before 1949. As for the CCP's rural heritage, there was little in it to prepare the Party for the peculiar social and economic complexities it encountered in the home areas of the Overseas Chinese. While the Party's knowledge of peasant problems in general was richly developed, the CCP had virtually no pre-1949 experience in dealing with the special problems of the domestic Overseas Chinese. As the editors of the official journal for Overseas Chinese affairs frankly and ruefully admitted, "the legacy in the Overseas Chinese field amounted to almost nothing, so that in fact Overseas Chinese work in New China had to grope its way from the very
The ideological confusion and organizational difficulties which characterized collectivization in the Overseas Chinese areas of Guangdong challenges the totalitarian proposition concerning the power of ideology backed by a sophisticated organizational apparatus to remould rural society. Ideologically, the domestic Overseas Chinese were a complicated burden for the CCP. The CCP view of the Overseas Chinese vacillated, from local capitalists and feudal exploiters" (during the investigation of class status during land reform) to "labouring people" and members of a patriotic united front. Bureaucratic confusion and organizational difficulties paralleled this confusion of image and policymaking: local cadres were unsure of whether to exploit class differences and promote class struggle amongst the domestic Overseas Chinese, or smooth over class divisions in the interests of maintaining the united front.

Vivienne Shue characterized socialist transformation in the areas of China she studied as "smoothly successful", the triumphant result of the CCP's ability to develop and manage the course of class struggle in the villages. The main strategy of the CCP

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was to "promote and manage village political conflict among class lines...Most of the policies...were designed and implemented as part of this strategy to sharpen the relevant class cleavages and to blunt others in the countryside"\(^{23}\) But in the Overseas Chinese of rural Guangdong, at least, it would be more accurate to characterize socialist transformation as marked by the clash of these class-based aims with the united front aims and strategy of domestic Overseas Chinese policy. The class-based strategy of socialist transformation was furthermore confounded from the outset by the peculiar socioeconomic features of the Overseas Chinese. The very class status of the domestic Overseas Chinese was itself unclear, complicated and difficult to determine on the basis of normal criteria, because of their "special features" -- which not only cut across class lines but appeared to be of greater significance than class interests in determining their unwillingness and ability to participate in the new socialist order. In the areas studied by Vivienne Shue the CCP was apparently successful in ensuring that peasants' self interests converged with their class interests -- but in the Overseas Chinese areas self interests were much more

\(^{23}\)Shue, p. 325.
closely bound up with these various "special features" -- lack of labour power, dependence on remittances, etc. -- which were shared across class boundaries.

In the final analysis, with respect to the domestic Overseas Chinese population, the goals of economic growth and stability (not a new factor in the history of Chinese government policy towards Overseas Chinese) collided with and eventually succumbed to the higher goals of social revolution in the mid-1950's. The situation of the Overseas Chinese in the mid-1950's during the course of socialist transformation was historically derived, but within that situation there was a new element of political determinism at work in the 1950's which presaged the final outcome of the clash between Overseas Chinese policy and the policy for socialist transformation. There were too many pressures building on domestic Overseas Chinese policy during the mid-1950's for it to endure. Poor peasants and lower middle peasants were in a majority in the countryside, and the CCP could ill afford to lose the political support of this, their most important constituency in the countryside. A policy of support for a special interest group such as the Overseas Chinese was perhaps bound to founder on this basis.
Today the Overseas Chinese are one of the "engines of growth" revitalizing Guangdong's rural economy. Their foreign connections and their role in the development of specialized agriculture are sought after and rewarded. But given the pressures on specialized agriculture exerted by the First Five Year Plan and the sociopolitical pressures of collectivization, the Overseas Chinese were in a much different, more politically and economically vulnerable position in the mid-1950's. As the solution to the economic and social problems of peasant China came to be seen increasingly in terms of quickening and deepening the social revolution in the countryside -- culminating with Mao's July 1955 speech which Meisner terms the announcement of Maoism as a development strategy on the post 1949 historical scene -- special treatment of the domestic Overseas Chinese was increasingly doomed.

In conclusion, socialist transformation in the Overseas Chinese areas of rural Guangdong differed in important respects from the standard characterization of collectivization on a national basis which is presented in most western accounts of this period. Socialist transformation in the Overseas Chinese areas was a product of the unique historical development of
these areas. The experience cannot be described as "typical" on a nationwide basis, but it does represent an important aspect of the reality of rural Guangdong province during this period -- and one which has not been previously described in western accounts of socialist transformation. By examining one of the major social realities of South China and one of the CCP's most difficult historical inheritances, it is hoped that this thesis may foster an appreciation of the importance of an informed sense of local differentiation for the full understanding of the results of state-directed social and economic change in the People's Republic of China.
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*Nanfang ribao.* (Southern Daily)

*Qiaowubao.* (Overseas Chinese Affairs Journal)

*Renmin ribao.* (People's Daily)

*Renmin shouce.* (People's Handbook)

*Wenhuiibao.* (Daily Collection)

*Xinhua banyue kan.* (Bi-monthly selections from the New China News Agency)

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