

## **Surviving Socialism: Private Industry and the Transition to Socialism in China, 1945–1958**

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### **Abstract**

During the 1950s, China's hybrid economy recovered from years of war and crisis. China's Communist revolutionaries and "national capitalists" (*minzu zibenjia* 民族资本家) cooperated in this effort and were often successful, but the relationship was not unproblematic. This article focuses on the survival strategies of factory owners in the silk industry during what the Chinese Community Party terms the "socialist transformation of private industry and commerce." This process was initiated and mobilized by the central government but implemented by local officials, and it was influenced by capitalists' diverse responses, which showed adaptability, perseverance, manipulation, and even resistance. One surprising discovery is that many factory owners welcomed effective state involvement in the economy, such as expansion of the system of state-contracted production in private firms, and agitated to accelerate the transition to socialism. From the Five Antis Campaign in 1952 through the "socialist high tide" of 1956, the relationship between private businesses and the state changed dramatically and reshaped China's economy, often in unpredictable ways. In this light, China's transition to socialism appears more complex and contested than historians have previously imagined.

Keywords: China, revolution, capitalist, communist, socialist transformation, private business, industry, silk, state-contracted production, Five Antis Campaign

### **Introduction**

Most studies of China's transition to socialism written in the past fifty years view capitalist enterprise and socialist state management as mutually incompatible. They see capitalists as either coerced into socialization or adamantly resistant to any kind of state management. While this perspective is, perhaps, sensible from an economic point of view, for historians it has often created impediments to understanding the true complexity of China's changing economy in the 1950s and the attitudes and strategies factory owners adopted in surviving socialism. Far from ideologically or even practically embracing market systems, which by 1949 had long since ceased to function properly, the view of most factory owners would seem to have been quite

ambivalent, which is sensible given the chaos of the recent past and the uncertainty of the future at that point in time. The diversity of capitalists' attitudes toward the possibility of a transition to socialism in China and in their own enterprises can be seen clearly in the case of Zhu Guozhao, the owner of the Huida Silk Filature in Wuxi.

In the early 1950s, Mr. Zhu—like most business owners who had lived through a decade and a half of war, revolution, and economic crisis—resorted to a number of dodges and schemes to increase profits and keep his business afloat. Maintaining business operations and keeping his politicized workers in line grew increasingly difficult and, by 1953 (according to reports about him by union cadres at the Huida Filature), Mr. Zhu expressed great ambivalence about his future following the transition to socialism. For example, when workers at the filature asked him if the factory would be socialized, he replied that it would not be for another nineteen years, so he could still enjoy a “happy life” for a while. At that time, the factory was doing well and making money. When business was not so good, however, Zhu was rumored to have said, “Bring on the joint state-private merger!” (WMA D5-2-226). Zhu's mixed feelings about the socialist future and his place in it reflected widespread ambivalence among China's “national capitalists,” rather than the expected hardline resistance and recalcitrance. After all, Chinese capitalism would seem to have failed by the late 1940s, and perhaps the Communists' socialist transformation offered a better solution for these beleaguered businesses.

Recent research on the People's Republic of China (PRC) in the 1950s, making use of newly available archives, has produced histories that are more complex and reveal greater diversity and agency in Chinese society than was previously conceived under Cold War interpretive frameworks such as “totalitarianism.” It has become apparent that, to understand China's revolutionary transformations, it is necessary to look beyond the walls of Zhongnanhai (the residence of China's party elite in Beijing) at the motivations and actions of ordinary Chinese people. To paraphrase Theda Skocpol's seminal work, it is necessary for historians of the early PRC to “bring society back in” to the analysis by utilizing interviews and archival documents that can provide new viewpoints and insights (Skocpol 1979).

There is growing interest among historians, economists, and political scientists in China's economic “transition to socialism” in the 1950s. New research seeks to account for diverse outcomes in different industries and localities, as well as the still poorly understood acceleration of this process from 1953 to 1956. At present, historians have only a vague understanding of the

motives and actions of private capitalists during this process. In the dominant narratives of revolution and state building (both Communist and anti-Communist), China's capitalists are often dismissed as "passive" or "submissive" in the face of a monolithic party machine. New research, utilizing much richer archival resources than were available previously, attempts to construct a more complex and human narrative—one that looks to diverse incentives and interests to account for differences in processes and outcomes.

Previous scholarship on this topic often admitted, but usually made little effort to explain, the diversity of experiences in China's transition to socialism.<sup>1</sup> The work of Bennis Wai-yip So, especially his 2002 research report in *The China Quarterly*, is an especially good starting point for new research on the "Socialist Transformation" (*shehuizhuyi gaizao*) of China's capitalist industry and commerce.<sup>2</sup> The analyses of scholars like So include new recognition of the legacies of Nationalist rule for the PRC and the context of the severe economic crisis during the Chinese Civil War and the early 1950s. In this light, the policies of New Democracy (*xinminzhuzhuyi*, the term for the Communists' policies immediately following the seizure of power in 1949) appear, at least partly, as a continuation of the previous regime and an effort to restore private production and healthy market exchanges. This view also helps to explain why the party moved away from New Democracy so quickly: because it was an unworkable compromise between attempts at state economic planning and control and the revival of private industry and commerce. The contradictions of New Democracy were not immediately apparent to the Communist Party leadership, and they soon led to the more radical measures of the First Five-Year Plan and the surprisingly rapid "Socialist Transformation."

Recent studies of the transition to socialism in China that focus on the policy-making process reveal the disagreement and uncertainty among the party's leaders in the early 1950s, even after the promulgation of the "General Line for the Transition to Socialism" in October 1953 (Li 2006). Problems inherent in the dual economy of New Democracy inclined the party's leaders to attempt to implement socialist planning and state administration more quickly than anticipated at the start of the First Five-Year Plan in 1953. But as the institutions of China's socialist planned economy developed in the mid-1950s, it became obvious to both party leaders and business circles that it would be impossible to maintain private production in an increasingly socialist economy—despite the fact that the private economy continued to grow in both relative and absolute terms during the period from 1950 to 1953 (Hsia 1955).

Recent scholarship on the early PRC has also recognized the importance of local case studies in understanding the diverse outcomes of party policies throughout China. Just as it is impossible for us to understand the Chinese Revolution by focusing solely on Chairman Mao and the Communist elite, it is difficult to paint an accurate picture by studying events only at the national level. Varying conditions produced different results and experiences. What may have been true of large-scale, modern industries in Shanghai may not have applied to small-scale, decentralized producers even in the same city, to say nothing of producers in other cities, regions, and industries. Only by cross-referencing numerous case studies will we be able to develop a complex and realistic understanding of China's revolutionary transformations.

The Yangzi Delta silk industry is an excellent case study for examining the complexity and diversity of China's socialist transformation. The silk industry entails two main processes—silk reeling, which was done in thread mills called filatures—and silk weaving. The two branches of the silk industry possessed very different characteristics in terms of scale of operations, finances, markets, managerial regime, and relationships with state agencies, as well as different localities. Silk-weaving factories in particular were usually small in scale and faced many difficulties in terms of finances and markets. Most silk factory owners were small-scale “national capitalists” and possessed neither the political connections nor the importance to the Communist regime of their more famous and wealthier counterparts.<sup>3</sup>

Furthermore, the diversity of firms in the Yangzi Delta silk industry allows us to highlight some of the surprising forces at work outside of Zhongnanhai in the transition to socialism in China. In the silk industry, this process generally did not proceed according to strict plans laid down in Beijing but was contingent and contested, and silk factory owners played a surprising role in accelerating the transition to socialism from 1953 to 1956. In order to understand this process accurately, historians need to comprehend the conditions and incentives faced by private factory owners under the New Democratic economy and in their relationships with state cadres. Similarly, it is necessary to understand the actions these capitalists took in order to survive socialism, which often resulted in outcomes that took China's Communist leaders by surprise.

This article presents novel interpretations of three broad processes relating to the transition to state ownership and management (which in China largely defined what was meant by “socialism”) in China's silk-weaving industry. First, the system of state-contracted production

in private silk factories in the early 1950s was inherited from the Nationalists and was not implemented by the Communists as a means of “transforming” private enterprises into socialist enterprises. The state contracting system did not accomplish state management of private production, but created many new problems. Second, the Five Antis Campaign in 1952 was not another step on the carefully laid-out path to socialism. It was, rather, an ad hoc attempt to address problems in the dual economy of New Democracy and to discipline China’s business community to abide by the laws and to discard the unhealthy business practices developed during and after the Japanese occupation.

Third, the process of socialist transformation, from the publication of the “General Line” in October 1953 to the “Socialist High Tide” (*shehuizhuyi gaochao*) in January 1956, did not develop as planned but instead accelerated beyond party leaders’ expectations. This had as much to do with the practical incentives factory owners faced under New Democracy as it did with Mao Zedong’s ideology or personal impatience. While the capitalists’ supposed “eagerness” for socialization was rarely borne of genuine ideological commitment, they clearly had their own reasons for pushing forward the transition from an ambiguous and unworkable status as private enterprises in a state-run economy to joint state-private enterprises under the management of state companies. However, the process was far more contested and contingent than has been previously recognized. In general, the policies relating to private industry seem like ad hoc responses to new problems in the Chinese economy in the 1950s, the consequences of which drove both party and businesses toward socialization faster than anyone had anticipated or planned for in the early years of this pivotal decade.

The sources for this article are taken mainly from municipal archives in the Yangzi Delta cities of Wuxi (the major center for silk reeling in the 1950s) and Shanghai (which possessed only three silk filatures in 1949, but between two and three hundred silk-weaving factories). The historical documents were produced mainly by the relevant industry associations under the Federation of Industry and Commerce in each city. These were the “mass organizations” for capitalists, much as the unions were for workers, and they served a similar dual function. Like the labor unions, the industry associations both represented the interests of private factory owners to the revolutionary regime and also served as a conduit for laws, regulations, political campaigns, and other demands of the party-state on China’s “national bourgeoisie.” As a result, these documents can often be difficult to interpret, caught as they are between the political power

of the state and the needs and interests of their constituents. Many archival documents produced by the industry associations are candid and revealing, however, including records of meetings; letters from factory owners; reports on finances, production, and political attitudes of factory owners; accusations and confessions; and records of production and sales through the state contracting system. The rich material contained in these documents has been organized and interpreted below in order to present a more complex picture of the experiences of China's silk capitalists in the Chinese Revolution and the subsequent transition to socialism.

### **Private Production and the State in the Yangzi Delta Silk Industry**

The Chinese Communists were not the first modern Chinese government to engage with private business through simultaneous support and exploitation. The prewar Nationalist government attempted to implement sericulture reform, for example, but failed miserably in the face of official corruption, capitalist greed, and peasant anger. Violent protests destroyed many of the government sericulture stations in rural Jiangsu and Zhejiang in the 1930s (Weidner 1983). Similarly, during the Japanese occupation, the military attempted to control the trade in cocoons and silk. In 1938, the occupation authorities established the Central China Sericulture Company (Huazhong cansi gongsi), renamed the Chinese Sericulture Company (Zhonghua cansi gongsi) under the Wang Jingwei regime in 1943. The attempted monopoly was never entirely successful, however, and trade in smuggled cocoons thrived in Shanghai. Much of the silk thread production in Wuxi was forced underground into small, rural workshops (Chen 1989). After the war, the Nationalist government preserved the occupation silk administration, renaming it the China Sericulture Company (Zhongguo cansi gongsi) and placing it under the administration of the Central Trust of China.

As mentioned above, silk production involves two main industries: silk reeling and weaving. The silk-reeling industry takes cocoons produced by rural sericulturalists to reel into thread in mills called filatures. In the Yangzi Delta this work was concentrated in the city of Wuxi but also took place in other cities, such as Huzhou, Hangzhou, and Shanghai. Filatures were generally large operations and employed mainly young women averaging around seventeen years of age. They worked long hours under harsh conditions and received the lowest wages among textile workers. Even worse, the factory regime in silk filatures relied on older, male supervisors, who stalked the workshops with wooden staves and did not hesitate to beat workers

whose attention wandered or whose attitude smacked of rebellion.<sup>4</sup> The animosity between labor and management in Chinese filatures, as well as the social and cultural authority wielded by male supervisors, undermined the implementation of Communist Party policies concerning union organization, democratic management in private factories, and labor reform in the Wuxi filatures until 1952 and beyond.

Another important characteristic of the filature industry was its close relationship with the state before the Communist takeover. After the war with Japan, the Nationalist government appropriated considerable “puppet” and “collaborator” property, including several silk filatures. As the postwar economy suffered from hyperinflation, the state silk company began to provide silk filatures with loans, fuel, and raw materials in return for silk thread produced under government contracts. This was an attempt to bolster production and employment in this key industry, as well as to establish control over the lucrative trade in silk thread. The leadership of the Central Trust, however, proved too corrupt to resist the potential for theft and graft in cocoon and silk markets, with disastrous results. As Chang Kia-Ing, appointed governor of the Central Bank of China in 1947, wrote in his memoir, “commodity hoarding and speculation became part of the regular business of even the leading financial institutions” (Chang 1958, 57).

Silk thread is made into cloth by weaving. In the twentieth century, China’s silk-weaving industry included urban, factory-based production using electric-powered looms, as well as individual household production.<sup>5</sup> During the 1930s, thousands of factories, large and small, throughout the Yangzi Delta produced hundreds of varieties of silk cloth using both natural silk and synthetic fibers, such as rayon (and later nylon). In contrast with filature workers, silk weavers in Shanghai and other Yangzi Delta cities tended to be men who organized unions and joined both political parties and traditional “brotherhoods” to advance their collective interests (Perry 1993; Lieu 1941). They were among the most highly paid textile workers and often shared with their employers a common culture of silk weaving, Zhejiang origins, and masculinity. These characteristics, and the number of Communists among Shanghai silk weavers, identify these workers with other privileged and politically engaged workers, such as printers, railroad workers, and machinists, who formed the backbone of Communist support among urban workers, and who saw immediate and lasting improvements in their lives as a result of the 1949 revolution.

Unlike the filature industry, which remained an important source of foreign exchange earnings in the late 1940s, the silk weaving industry was largely ignored by Nationalist officials

until November 1948, when the China Sericulture Company implemented state-contracted production of silk cloth on a limited basis. It was not until after the Communist seizure of power in November 1949, however, that the new government made a concerted effort to extend state production contracts to private silk-weaving factories in the hopes of rescuing this beleaguered industry, maintaining production and employment, and avoiding social chaos.

In August 1949, the Trade Department of the Chinese Communist Party's Finance and Economics Reconversion Commission appointed Zhu Zujian, a former Nationalist official, to head the newly "reconverted" state silk company in Shanghai (Shanghai sichou 1998).<sup>6</sup> The Communists quickly moved to restore and expand the state contracting system inherited from the Nationalists in an effort to revitalize and expand private production. The policy reflects more the immediate demands of economic recovery than a well thought-out plan for socialist transformation. While the Chinese Communists believed in the superiority of socialism and hoped to move forward on the "socialist road" as quickly as possible, the system of state-contracted production as it developed between 1949 and 1956 did not serve this goal very well. The government did not exercise effective control over production or labor relations in private factories. Nor did state-contracted production in private factories bring most enterprises under state economic planning, even when, by 1955, some 82 percent of the productive output of privately owned factories was contracted to state companies (Perkins 1966; Cheng 1963).

Although factory owners had many complaints about the state contracting system, these were less about the imposition of state controls and restrictions on free market activity than about shortcomings of the system itself. Far from being seen as an onerous burden, state-contracted production brought many benefits to silk-reeling and silk-weaving factories—access to capital, materials, and fuel; purchasing prices high enough to allow factories to meet inflated production costs and wages; and state purchases that were more reliable than either domestic or export markets. Indeed, from its reinitiation in November 1949, state-contracted production of silk cloth was essential in restoring production and employment through the difficult years of 1949 to 1951, when Shanghai's main power plant was destroyed, the United States and its allies imposed a strict economic embargo on China, inflation subsided, and the economy slowly recovered.

Given the extremity of the silk industry's crisis in 1950, state contracting was a lifesaver and silk producers demanded that the government expand weaving contracts among smaller factories. Complaining about the limited volume of state-contracted production relative to the

industry's dire situation, one factory owner compared it to "trying to put out a burning cart of firewood with a cup of water" (SMA S39-4-55). Shortly thereafter, the Korean War and China's closer relationship with the Soviet Union provided the silk industry a new lease on life as silk exports to the USSR and socialist bloc countries increased dramatically to fund China's war effort (*Dagongbao*, June 2, 1950; *Xinwenbao*, July 27, 1951).

While the system of state-contracted silk weaving was, on the whole, successful, there were nonetheless many inconveniences and inefficiencies for factory owners, such as the limited volume of state-contracted production, the state company's insistence on receiving deposits of funds or product as collateral, and the lack of universal standards for products and wages. The state company was not immovable, however, and it modified the system many times in response to factory owners' complaints and suggestions. The most enduring and intractable problems were supply of raw materials, inflated production costs, inflexible state purchasing prices, declining domestic demand, and international markets with prices much lower than those for Chinese silks. Cheating, theft of government-supplied materials, and other contract violations were also common problems that the state attempted to resolve over the next three years.

Despite the obvious benefits to both factory owners and workers, and despite many improvements in the system between 1949 and 1955, many people nonetheless have the impression that the Communists coerced private factories into state contracts in an attempt to control private industry and force China's capitalists down a "socialist path." For example, when interviewed in 2004, Mr. Lou Erpin stated that his family enterprise, the Yunlin Silk Factory in Shanghai, did not begin contracted weaving for the state until required to do so during the Five Antis Campaign in 1952. But archival records show that more than 60 percent of Yunlin's output was produced on contract for the state silk company as early as 1950 (interview with Lou Erzhen and Lou Erpin, April 19, 2004; SMA S39-4-57). This is because there were great benefits for private silk producers, who received supplies and were guaranteed prices that could meet the inflated production costs of the early 1950s.

Mr. Lou's later suffering during the Mao years, and his present vindication and pride as a lifelong recalcitrant capitalist, have influenced his memories of early policies. Cross-examining memories with archival research, however, reveals the ambiguous and changing relationships between private businesses and state agencies in the early years of the PRC. State-private relations often had less to do with class ideology than with economic realities and the exigencies

of the moment. Despite its shortcomings, which the bureaucrats managing the system noted but were unable to reform successfully, state-contracted production of silk thread and cloth benefited private producers in these crisis-ridden years. But the ambiguous future of state contracting, difficulties in expanding exports and domestic demand, and other problems were the topics of much complaint and criticism among factory owners, as reflected in meeting minutes of the industry associations and letters written to the directors of the state silk company. At the same time, corruption and cheating by contracted factories (and many bureaucrats) contributed to the launching of the Three Antis (*Sanfan*) and Five Antis (*Wufan*) Campaigns in 1951 and 1952, and fostered a growing awareness among the Communist Party's leaders of the difficult contradictions in the New Democratic economy and the need for a socialist alternative.

### **State Contracting, the Five Antis Campaign, and the Transition to Socialism**

Many scholars of modern Chinese history hold that the Communist Party launched the Five Antis Campaign in 1952 in order to force China's capitalists into submission so as to push forward the nationalization of private industry. But this view, exemplified by Barry Richman's claim that "one of [the campaign's] real chief aims was to speed up the transformation of private enterprises into joint private-state and pure state ownership" (Richman 1969, 896), while consistent with both Communist Party propaganda and Cold War studies in the West, does not hold up under close scrutiny. Rather than constituting the next phase of a well laid-out plan for socialization, the Five Antis Campaign was precisely what it announced itself to be—a campaign to mobilize cadres and workers to investigate capitalists' illegal activities, including violation of labor contracts and state production contracts, tax evasion, and hoarding and speculation, which had become ubiquitous during years of war and economic crisis. Looking at archival documents from silk industry associations in Shanghai and Wuxi, there is little evidence to support the claim that the goal of the Five Antis Campaign was to expand state contracting and government control over private production, or to force capitalists into joint state-private enterprises.

Silk capitalists' experiences with the Five Antis Campaign were typical in most respects, though perhaps less violent than some of the more colorful anecdotes from the campaign. Initially, the relevant industry associations in each city handled the cases of errant capitalists through self-policing in the form of meetings in which capitalists confessed their crimes to one another (WMA D5-2-200). By the end of March 1952, the process had expanded to include

mobilizing workers to investigate and criticize their employers in public meetings or over loudspeakers set up on city streets. In many instances, investigations spiraled out of control as workers pursued violent revenge or sought to advance their own interests by demanding higher wages. In Shanghai's silk-weaving industry, however, investigation of factory accounts had already been conducted by teams of workers and accountants from Shanghai's silk factories in 1951 in a less intense political climate. Furthermore, democratic management committees had been established in many silk factories and functioned fairly well, and for the most part there was little violence during the Five Antis.<sup>7</sup>

While the treatment of capitalists was often harsh, there is little evidence to support the claim that the Five Antis forced factory owners into a more socialist relationship with the state. In archival records the campaign appears as an effort to reform business practices that had become practically universal in the difficult wartime and postwar economy, but that were detrimental to economic recovery and the emerging system of state economic management. For one thing, it is clear that the system of state-contracted production and state capitalism frequently *encouraged* the kinds of cheating and illegality targeted in the Five Antis Campaign. In other words, the "Five Poisons" were less the result of capitalists' greed and class ideology, as the Communist Party leadership presented it, and more often rational responses to the incentive structure of an economic system that was neither market nor plan. The expansion of the state contracting system starting in 1950, combined with factories' financial difficulties and the burden imposed by taxes, mandatory purchases of government bonds, and "donations" to the war effort in Korea, produced incentives and opportunities for factory owners to engage in tax evasion, cheating on government contracts, hoarding, and misuse of state-supplied materials. For example, a weaving workshop might operate only two or three looms, but report five or seven, selling excess supply on the black market. This was especially tempting with synthetic fibers, the market price for which was often several times higher than the state price (*Xinwenbao*, October 6 and 24, 1950).<sup>8</sup>

One common result of the coexistence of state contracting and independent marketing was misuse of state-supplied materials, or the mixing of materials and products contracted by the state with materials purchased for independent production and sales. For example, in September 1951, the owner of the Jiuji Silk Weaving Factory in Shanghai, Zhang Huirong, admitted to having used half of the filature silk provided by the China Sericulture Company to produce cloth

for private sale. This was considered “theft of state property,” and Zhang was made to write a self-criticism, which was distributed among the members of the industry association as a warning. Factory owners also adopted many other dodges, devices, and scams in their unending efforts to meet production costs and earn a profit (SMA S39–4-62).

Similar problems arose in Jiangnan silk-reeling filatures, in which a much larger proportion of product was contracted to the state by 1952. According to an unpublished factory history written in 1959, the Yongtai Filature in Wuxi engaged in various deceptions to cheat the China Sericulture Company. The filature’s owner, Xue Zukang, tried to pass off mixed batches of filature silk as high-quality silk, and Xue was also accused of altering the inspection certificates for farmers’ cocoons to suppress prices, just as the filature had done in the 1930s. He also fostered a group of “running dogs” in the Silk Inspection Bureau, an example of the problems caused by close relations between capitalists and state cadres. By means of such devices, Xue supposedly earned “illegal profits” of more than 132 million *yuan*.<sup>9</sup> He also adopted a variety of methods to avoid paying taxes, such as keeping false records or not recording sales, reducing the factory’s tax burden by more than 47 million *yuan* over the previous two years (Yongtai 1959; Qian 1990).

In meetings of the Wuxi Silk-Reeling Industry Association in February 1952, silk merchants and filature owners confessed crimes including maintaining false accounts, engaging in tax evasion, destroying evidence, bribing state officials, and concealing funds. Many filatures attempted to deliver poor-quality thread to the state company, keeping higher-quality thread to sell on the market. Bribery and tax evasion were among the most serious problems in state-private relations in the silk-reeling industry. Wu Qiuting of the Xinlun Filature confessed to having bribed an official of the Shanghai Commodity Inspection Bureau with 14.5 million *yuan* to appraise his silk at a higher grade (WMA D5-2-200).<sup>10</sup> Given the inequality in power relations between filature owners and the agents of the revolutionary state, however, it can be difficult to tell who was corrupting whom, or from whence the motivation for such bribery arose.

If the Five Antis Campaign did not destroy China’s capitalists, it certainly affected their morale. Production suffered as managers abdicated their responsibilities, and employers found it impossible to enforce labor discipline in the context of class struggle. Factory owners faced other pressures, too, such as the heavy fines imposed following the campaign. These fines were often rather arbitrary and were based as much on capitalists’ attitudes and behavior during the

campaign as on their specific crimes. For example, the Five Antis Campaign in the Lou family's Yunlin factory was fairly intense due to personal grudges and animosity. A proud man with a strong personality, Mr. Lou would have found it very difficult to simply "play ball" and admit to wrongdoing if he did not feel it justified. As a result of his resistance, however, Yunlin's fines were much greater than those for any other silk-weaving factory in Shanghai. Out of total payments of "illegal earnings" amounting to 6.3 billion *yuan* (old *renminbi*) for the twenty-eight leading members of the Silk-Weaving Industry Association, Mr. Lou's factory paid more than 5 billion *yuan*. The next greatest fine was less than a half-billion *yuan* (SMA S39-4-4).

Despite the heavy fines (some of which were never fully paid) and the violence and rhetoric of class struggle and socialism, there was no attempt in 1952 to move beyond the limited degree of employee management and state involvement in private production already established by that point. There is no evidence that state agencies took any steps to take control of silk factories and manage their operations at the enterprise level, nor were there any seizures of property in the Yangzi Delta silk industry as a result of the Five Antis campaign. Even some of the most notorious cheating capitalists, whose blatant crimes were widely publicized, were let off fairly lightly and allowed to continue managing their enterprises as best they could in the aftermath of the Five Antis.

Even more telling, the state contracting system, considered synonymous with state capitalism, did not expand greatly following the Five Antis Campaign. The overall proportion of private industrial production contracted to or purchased by the state was 11.88 percent in 1949. By 1950 the proportion had increased to 28.83 percent, by 1951 to 42.71 percent, and by 1952 to 56.04 percent (So 2002). Rather than pushing further down the socialist road and attempting to eliminate capitalist production, in the two years following the Five Antis, party leaders went to great lengths to allay capitalists' fears, to restore the private sector to health, and to guarantee a certain level of profit for capitalist industry (China Committee 1952).

The specific example of the silk industry reveals that the state contracting system did not expand dramatically after the Five Antis. On the contrary, in many cases it retreated. While more than 80 percent of silk cloth produced in Shanghai in 1952 was contracted to the state, the following year the state company told silk factories to fall back on independent production and marketing. In this case, the Five Antis Campaign was likely not intended to expand state contracting or to increase control over production in privately owned silk factories simply

because neither of these things happened. On the contrary, the state company told silk-weaving factories that it could no longer purchase their products at inflated prices. Silk factories were told to rely on their own initiative and what remained of the free market. The proportion of silk cloth produced on contract for the state fell from 82 percent in 1952 to just 55 percent in 1953, before slowly recovering in 1954 (SMA S39-4-44; Shanghai sichou 1998).

The news of reduced weaving contracts in 1953 was met not with cheers by factory owners who yearned to throw off the yoke of state capitalism, but with complaints by struggling factory owners who had come to rely on state purchases and found it difficult to turn to shrinking markets for their capital circulation needs. Commenting that agents of the state had previously touted the superiority of “planned production,” as opposed to the blind chaos of the market, some factory owners responded with criticisms of state economic leadership, such as “You are going to lead us into bankruptcy” and “[You say that] we are blind—it turns out you are blind too!” (SMA S39-4-5). In 1953, it seemed to these factory owners that the emerging socialist economic system was just as chaotic, unplanned, and unpredictable as the markets of the previous decade. But they preferred a working state capitalist system over a dysfunctional market system.

Not only did state contracts for silk weaving shrink dramatically in 1953 and 1954, but there is also no evidence that the state was any more successful in promoting production standards or enforcing regulations in private silk factories after the Five Antis than before. One important change was that labor was more powerful in many silk-weaving factories. But this was not always the case, nor did this necessarily mean that the party could implement its policies more effectively (especially in regard to promoting standardization and improving quality and productivity) (SMA S39-4-27, S39-4-75).<sup>11</sup> One further indication that the Five Antis Campaign did not greatly enhance state control over private production is that the kinds of problems targeted in the campaign, such as cheating on government contracts, continued and even worsened in 1953 and 1954. The retreat of state contracting and attempts to revive independent sales in Shanghai’s silk-weaving industry exacerbated problems such as misuse of state-supplied materials and created new forms of “speculation,” which in 1953 could mean simply selling cloth at prices higher than those set by the state. (This is not, strictly speaking, “speculation,” but the revolutionary authorities viewed it this way.) In some instances, these problems were even worse in 1953 and 1954 than before the Five Antis Campaign.<sup>12</sup>

For example, an investigation by the Shanghai Silk Industry Association in 1954 found that the owner of the New 31 Factory, Ma Fenggang, had sold cloth that the China Silk Company had returned due to defects. This practice had been suggested in 1953 as a means for factories to weather the reduction in state silk contracts, but in this case the factory sold the cloth at prices higher than those set by the state (SMA S39-4-27). Furthermore, Ma was accused of selling off a portion of thread supplies, rather than using these supplies to fulfill the factory's remaining contracts. After an investigation by the authorities, he was sentenced to one year of labor reform. Even leaders of the Silk Industry Association found it difficult to operate in the hybrid economy without violating regulations. In 1954, Ding Jiaqi, a member of the industry association's executive committee, faced trial for corruption and misuse of state-supplied materials worth over 3 million *yuan*. In March 1955 he was sentenced to six months of labor reform and one year of probation (SMA S39-4-112, 1, and 44).<sup>13</sup>

Confronted with these kinds of issues, both party cadres and factory owners came to view the contradictory incentives of the New Democratic economy as unworkable and unsustainable. Obviously the Five Antis Campaign had not resolved problems like cheating on government contracts and differences between state and market prices, because it had not fundamentally reformed the economic institutions or the incentives these presented to factory owners. More radical reforms were required if China was going to progress toward a workable socialist economy. To provide some assurance and a guide to the future of China's economy, the CPC leadership published, in October 1953, a policy document titled "The General Line for the Transition to Socialism"—a somewhat ambiguous statement of the party's goals for transforming the economy in a socialist direction, which China's capitalists quickly seized as a way out of their growing predicaments.

### **The Socialist Transformation and Capitalists' Survival in Socialist China**

The transition to socialism in China was obviously not a smooth, linear process that unfolded according to plans formulated in Zhongnanhai. On the contrary, the process was contingent and contested, exhibited considerable diversity across industries and localities, and was characterized by tenuous advances and sudden reversals. Even the process and outcomes of the "socialist transformation of private industry and commerce," suddenly completed in February 1956, surprised the party's central leaders, who scrambled to create a planning and

administrative system that could accommodate the thousands of enterprises that had suddenly come under state management at all levels of government (Gao 2001).

In October 1953, the Communist Party, with Chairman Mao's firm urging, promulgated the "General Line for the Transition to Socialism." It is obvious when comparing this statement of goals with actual events that the party leadership had only a vague idea as to how to proceed and little control over the process or pace of "transformation." In 1953, Li Weihuan, responsible for United Front work with China's "national capitalists," reinvented joint state-private enterprises (*gongsī heying qiye*), originally a stopgap measure, as a means of socialization. In an October 1953 speech, Li stated that this process would take about fifteen years to complete. As it turned out, just over two years later all private commerce and industry had at least nominally come under state administration.<sup>14</sup> The disparity between stated goals and real outcomes calls for explanation, and, despite their relatively subordinate position in the power structure, the motivations and actions of factory owners are surely important elements in understanding this complex process. Most of the existing literature on China's socialist transformation, however, has focused on ideology and policy formation and largely neglected the details of the process itself.<sup>15</sup> The process was important, however, and defined China's unique path to socialism.

The responses of Yangzi Delta silk capitalists to the announcement of the "General Line" reveal that, in many cases, the strongest voices calling for more rapid "transformation" of the silk industry were the factory owners themselves, while overburdened government officials in Shanghai appear to have been reluctant to take over administration of the complex, chaotic, and struggling industry. Factory owners had many reasons for embracing "Socialist Transformation" as a means of extricating themselves from an increasingly difficult situation, and they pursued a variety of survival strategies depending on diverse factors such as position, firm size and capitalization, the state of labor relations and state-contracted production, finances, and individuals' backgrounds and personalities. In order to understand China's transition to socialism, then, we need to understand the motives and actions of these struggling businesspeople, as much as those of policy makers in Zhongnanhai.

Some silk capitalists actively cooperated with the Communist authorities from the beginning. These were often the leaders (not necessarily owners, but professional managers) of some of Shanghai's largest and most modern silk-weaving factories. As socialist apparatchiks in the making, the leaders of the Shanghai Silk-Weaving Industry Association advocated merger

with state administration as a means of improving factory management, overcoming supply and production problems, and ameliorating factory finances and labor relations (SMA S39-4-2). Unsurprisingly, these managers hoped that the state company would take more responsibility for these difficult tasks. Other factory owners found similar reasons to agitate for a faster transition to joint state-private enterprises. Difficulties in enforcing labor discipline and meeting the demands of the state contracting system inclined many capitalists to look forward to socialization and state administration, when these headaches would no longer be their responsibility but those of the state company (SMA S39-4-5). But it is hard to view this process as a subtle and intentional ploy on the part of the Communist government to push China's capitalists more rapidly in a socialist direction, and it seems reasonable to examine factory owners' motivations for pushing the process forward.<sup>16</sup>

The socialist transformation was very different in the Wuxi filatures than in Shanghai's silk-weaving factories. In the Wuxi silk industry the socialist transformation was completed earlier (in most cases by mid-1955) and was driven mainly by municipal party officials, the state silk administration, and the Wuxi Federation of Industry and Commerce. The establishment of joint state-private filatures was preceded by the combination of factories into larger units before the establishment of state administration (WMA D5-2-232). But this process was very different in Shanghai's silk-weaving industry. Within weeks of the publication of the "General Line," Shanghai silk-weaving factories began to apply for joint state-private status, but the Shanghai municipal government ignored their appeals for almost two years, until December 1955.

On January 18, 1954, the Meiya Company submitted an application for joint state-private status. Among other strengths, the application mentioned that the former general manager of the Meiya Company, Cai Shengbai, had already fled to Hong Kong so there was no reason to delay socialization. On the contrary, Meiya's board of directors, some of whom were leading members of the industry association, eagerly welcomed stronger state management of Meiya's operations throughout China and emphasized the benefits the Meiya Corporation could offer China's socialist economy (SMA B133-2-10). This was followed by similar applications from the Futian Weaving Company in May and the Second United Silk Weaving Factory in June of 1954. Within a year, nineteen Shanghai silk-weaving factories had applied for joint state-private status, but at the time the government approved none of these (SMA S38-4-23).

In their applications for joint state-private mergers, many factory owners emphasized problems like idle equipment, unruly workers, and the difficulties created by continuing to engage in capitalist relations of production in an emerging socialist economy. A July 1954 report on the Second United Factory stated that, “because workers’ consciousness had been raised, they were dissatisfied with production relations in the capitalist factory, which inhibited their enthusiasm and creativity” (SMA B133-2-10). Whether they meant this sincerely or it was simply code for “we can’t manage our workers anymore and don’t want to” is impossible to say. But it is clear that these factories’ owners were eager to enter into a new and deeper relationship with the state company that would hopefully bring benefits for production and the factory’s future prospects, as well as enabling them to survive in a socialist economy and society. Such uncertainty and ambivalence among China’s silk capitalists reflects attitudes similar to those of Zhu Guozhao, owner of the Huida Filature in Wuxi, who was quoted in the introduction.

This ambivalence is reflected in other documents as well. Despite a degree of early enthusiasm for joint operations, only nineteen out of Shanghai’s more than two hundred silk-weaving factories applied for joint state-private status by November 1955. If silk factories all faced similar incentives, why did most not leap onto the socialization bandwagon? In many cases, factory owners were reluctant to apply for joint state-private status because they feared that the Communist authorities would demand that they implement reforms before they could “qualify.” For example, the owner of the small Qiwen Silk Factory stated that he had previously considered applying for joint state-private status, but had held back for fear that state cadres would criticize him because of problems in the factory (SMA S39-4-110). Most silk factory owners preferred to adopt a wait-and-see attitude to avoid getting into an even worse situation.

Once it became clear, however, that all private factories would be “transformed” regardless of their internal conditions, factory owners rushed to demonstrate their enthusiasm for joint operations—whether sincere or not. Throughout 1955, private enterprises in cities and towns throughout China flooded municipal and provincial governments with applications for joint state-private status (*SCMP* 1226, Feb. 9, 1956). Between August and December 1955, eight industries completed the socialist transformation on a national scale, including the silk-reeling and silk-weaving industries (*SCMP* 1197, 29 Dec. 1955).<sup>17</sup> By November 20, 1955, 231 private silk-weaving factories had applied for joint state-private status on an individual basis, but none were approved (SMA S39-4-83). According to a report on the silk-weaving industry for the

fourth quarter of 1955, silk factory owners were increasingly anxious and eager to join the trend of socialization, repeatedly asking their leaders why the silk-weaving industry had not yet been approved for socialization (SMA S39-4-74). As the application of the First United Silk Weaving Factory put it, Shanghai's silk capitalists all recognized that it would be necessary to take the socialist road in order to have a "bright and happy future" (SMA S39-4-110).

Different factory owners had different motivations for wanting to "enter socialism" as soon as possible, however. A report on discussions in November 1955 reveals some of their main concerns. While silk capitalists were described as "universally enthusiastic," there was much uncertainty and concern about the future, as well as many specific questions that went unaddressed in the party's vague pronouncements. Many small factory owners expressed concern that they would be left behind and allowed to go bankrupt. The owner of the Meiwen Factory wondered whether it would be possible for him to sell off the factory's silk-reeling equipment, unused for years, before socialization. Another common concern was the disposition of capitalists' family members employed in silk-weaving factories, and whether their livelihoods would be protected. Factory owners received few definite reassurances on these issues, although there were promises to make effective use of all "private-side personnel" following joint state-private mergers (SMA S39-4-110).

Despite these concerns, the consensus among Shanghai's silk capitalists was that the industry association should apply for Shanghai's silk-weaving industry to be socialized sooner rather than later. Even Lou Erpin, never known for his enthusiasm for "state capitalism," stated that having individual factories write petitions was too slow and that it would be better to handle applications in small groups to "get it over with." Large factory owners' concern that they would have to take on the financial burdens of smaller factories if mergers were carried out before socialization also inclined this group to advocate for socialization first on the basis of the entire industry, to be followed by mergers and agglomerations later (SMA S39-4-110).

The applications of private silk factories that had been accumulating in the offices of the Shanghai Federation of Industry and Commerce over the previous two years were finally consolidated in the form of an industry-wide application for joint state-private operations on December 12, 1955. The one-page application simply stated that the owners of all member factories felt "unparalleled joy" at the prospect of socialization and joined together to request that the entire industry be permitted to enter joint state-private operations so as to "contribute their

energies to work for the nation's socialist construction" (SMA C48-2-1153). The Shanghai Textiles Bureau and the Shanghai Committee of the Chinese Communist Party approved the application on December 19, and an industry that had remained largely in private hands since the Qing dynasty became "socialist" in one stroke (SMA S38-4-22). A press release the following day announced the news that more than 370 Shanghai factories engaged in various aspects of silk production had "won approval" for joint state-private status. The press release mentioned Lou Erpin by name as a famous "holdout" who had finally seen the light. Although the industry still faced many problems, including capital circulation difficulties, high rates of defective cloth, poor management practices and working conditions, and high production costs, the press release optimistically stated that, through socialization, "all of these problems can gradually be resolved" (SMA S38-4-23).

Despite the red banners and drum and gong celebrations, however, the initial results of the socialist transformation amounted to little more than changing the name of the factory and calling the former owner "comrade" instead of "boss." Although the Whole-Industry Joint Operations Preparatory Committee of the Shanghai Silk Industry held its first meeting on January 6, 1956, it took more than a year to centralize administration and combine Shanghai's numerous silk-weaving factories into a smaller number of units. Nor could socialization solve all problems in private factories, and the process of socialization and mergers often created new problems and conflicts. In the year following the "Socialist High Tide" of January 1956, both silk workers and their former employers grew increasingly frustrated with the results of "socialization" as compared with the high expectations that the party's propaganda had built up during the previous three years.

There is not space here to go into all of the difficulties of establishing a socialist silk industry during 1956 and 1957, or the diverse fates of China's former silk capitalists (who often found it difficult to perform their appointed roles in the joint enterprises or to make a living for their families on state salaries and "dividends"). But the responses and opinions of China's former capitalists in the years following the socialist transformation further complicate previous theses concerning Chinese capitalists' survival under socialism. It is often claimed that the political campaigns of the 1950s left former capitalists so oppressed that they were "cowed into submission" and no longer dared to speak out or complain (Richman 1969). Close examination of archival documents from the Yangzi Delta silk industry, however, does not support this thesis.

Far from being silent and submissive, former silk capitalists openly expressed their disappointment with the results of “socialization” during the short-lived “blooming and contending” or “Hundred Flowers” Campaign in the spring of 1957 (MacFarquhar 1960).

Throughout the “Hundred Flowers” Campaign, and even following the launching of the Anti-Rightist Campaign in June 1957, China’s former capitalists voiced complaints and criticisms of the post-socialization order. Not only did many of them face economic difficulties, but they also felt that their skills and expertise were not fully utilized in the new joint enterprises. They were treated as pariahs, ignored and marginalized. They had positions but no power, or they were not assigned to positions appropriate to their skills. They complained that their suggestions were ignored and that they were excluded from important managerial decisions. “Private-side personnel” in joint enterprises also complained of the “suppression of democracy.” When they raised criticisms or suggestions, party cadres labeled them “anti-leadership” or “anti-party.” When the cadres in question were incompetent, or even illiterate, the situation could be especially frustrating (SMA S38-4-77, S38-4-19).

Some former silk capitalists, in the context of a “blooming and contending” symposium on May 28, 1957, even suggested that it might be possible to recall state administrative cadres and leave management of silk factories to the workers and redeemed capitalists. Former filature owner Gu Tinghuai suggested that the “state side should learn business operations from the private side, and the private side should learn politics from the state side. The state side should not lead business operations” (WMA D5-2-245, D5-5-101). Even more far-reaching complaints touched on the inefficiencies of economic planning, the irrational price system, and the unequal treatment of different social groups under the law (SMA S38-4-77; MacFarquhar 1960).

When the party reversed the “blooming and contending” policy and launched the Anti-Rightist Campaign in June 1957, there was much confusion over just what constituted a “rightist” position and what constituted valid criticism. Many of the recommendations voiced during the “Hundred Flowers” had been official policy in 1956, but in the autumn of 1957 they were condemned as “rightist errors.” Surprisingly, the former silk capitalists of the Yangzi Delta continued to speak their mind despite growing attacks on earlier “bloomers and contenders.” But there is little correlation between the outspoken critics of 1957 and the names of those arrested later, indicating that the Anti-Rightist Campaign may have targeted different groups for different reasons (WMA D5-2-246, 248, 250). Even during the high tide of political mobilization during

the “Great Leap Forward,” beginning in the autumn of 1958, people continued to voice criticisms concerning irrational policies in industry. Despite their efforts, however, in most respects the “Great Leap Forward,” as China’s Second Five-Year Plan is generally known, was a terrible disaster for the Yangzi Delta silk industry and resulted in unemployment for about half of the silk-reeling industry’s workforce and severely reduced employment in silk weaving. Despite impressive growth during the previous decade, the industry struggled to recover from this crisis during the 1960s, and China did not reach its previous levels of silk production again until the 1980s.

### **Conclusion**

From the point of view of Yangzi Delta silk factories, the process of socialist transformation in the 1950s was far more complex, contested, and underdetermined than studies focused on party leadership and elite politics have portrayed. The interpretation suggested here, however, is consistent with archival sources and recent approaches to the Chinese Revolution by scholars in China and around the world. Communist Party leaders initially conceived of New Democracy as a much longer transition to socialism and were responding to crises rather than working according to a carefully thought-out plan. But the dual economy of New Democracy, neither plan nor market, soon encouraged leaders in both the party and the business community to search for alternatives.

The Communists inherited a flawed state contracting system that they attempted to improve and expand. But their immediate motivation was less to develop toward socialism through state capitalism than to restore production and employment in China’s weakened capitalist economy. When the state contracting system created too many opportunities for corruption, cheating, and other undesirable practices, the party attempted to discipline China’s capitalists by launching the Five Antis Campaign in 1952. But China’s Communists did not push toward full socialization following the campaign. On the contrary, the state contracting system (for silk weaving, at any rate) retreated, silk producers were told to rely on their own initiative to market their goods, and most of the “Five Poisons” reappeared and even worsened in 1953 and 1954.

The accelerated pace of the socialist transformation after 1953 cannot be accounted for simply by Chairman Mao’s impatience, nor even the goals of local governments. In order to

account for the acceleration of the socialist transformation from 1953 to 1955, we must also look at the complex incentives faced by factory owners and their diverse responses depending on a complex mix of factors. By treating individuals and groups in Chinese society not as a “sheet of blank paper,” as Chairman Mao would have it, nor as a largely passive and victimized population, as the totalitarian model would have it, but rather as more-or-less well-informed and intelligent actors struggling to survive in a chaotic and confusing environment, we can include the motives, actions, and responses of China’s “national capitalists” in our analyses of the processes and outcomes of the Chinese Revolution and the transition to socialism.

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### Notes

- 1 Both Communist and anti-Communist studies from the Cold War era overemphasize the planned and consistent nature of the transition to socialism, as well as the importance of ideology and “class conflict” in the 1950s. Typical examples include Barnett (1967), Gurley (1976), Perkins (1966), and Richman (1967).
- 2 For earlier scholarship that presents similarly complex theses concerning capitalists and the transition to socialism, see Lu (1994) and Ecklund (1963).
- 3 For some excellent recent scholarship on the history of the transition to socialism in the early PRC, see the articles in the special issue of the *European Journal of East Asian Studies*, edited by Christian Henriot (vol. 13, no. 2, 2014).
- 4 For a description of conditions in silk filatures in the 1940s, see Hinder (1944) and Xu (1990).
- 5 This study focuses on urban, factory-based, capitalist silk weaving and does not include the Yangzi Delta’s tens of thousands of household silk weavers (many of whom also used electric-powered looms). The process of collectivization of rural industry was quite different from the socialization of urban capitalist factories and a study of household weavers in the 1950s would require different sources and approaches.
- 6 In October 1953, the name of the state company was changed to the China Silk Company (Zhongguo sichou gongsi) and its headquarters was moved to Beijing.
- 7 Mr. Lou found his experiences during the Five Antis Campaign too painful to discuss in detail. When pressed, he and his brother stated that the campaign was so harsh at Yunlin because it was led by a disgruntled former employee. It is not clear if there was any physical violence, however. Only one confirmed instance of violence in Shanghai’s silk-weaving industry appears in the available sources. In June 1952, one or more workers at the Jianye Silk Factory struck and injured the owner. Both the labor and capital sides at the factory sent reports to the Labor Bureau, and the Shanghai Silk Industry Labor-Capital Consultative Conference (LCCC) conducted an investigation. The offenders were prosecuted under the law but let off fairly lightly. The investigation also decided that

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- labor relations at Jianye were not “normal,” and the owner (in his hospital bed) was admonished to focus on production and to enact reforms to address the problem (SMA S39-4-2).
- 8 Between March 1950 and June 1951, the market price of a case of rayon increased from the equivalent of 10 *dan* of rice to 70 *dan*, while the state supply price hardly changed (1 *dan* is equal to 110 pounds.)
- 9 This amount is in “old” *renminbi*. In 1955, the PRC revalued its currency and issued “new” RMB equivalent to 10,000 “old” RMB (Cheng 1963).
- 10 Bribery did not always work out as hoped, however. The Runkang Filature was investigated for bribing an official of the State Coal Industry Company. However, a manager at the filature confessed that he had cheated his employer by claiming to be bribing the coal company, when in fact he took the 300,000 *yuan* for himself and the “bribe” never reached the intended target.
- 11 Starting in the spring of 1953, the party initiated a national campaign to strengthen labor discipline, carried out through the unions. In addition to improving “political education,” the unions were once again called on to assist factory owners in improving production management and labor discipline (Fletcher 1968).
- 12 Even as early as December 1952, Director Fan of the China Silk Company complained that some factories continued to engage in resale of state-supplied materials. He expressed the hope that factory owners would “voluntarily confess” or be dealt with according to the terms of the state contracts (SMA S39-4-29).
- 13 To allay any fears that these errant capitalists disappeared into Mao’s “gulag of death” never to be seen again, Ma Fenggang shows up again in the archival records in 1957, working for a newly socialized state-run enterprise. In the “blooming and contending” of 1957, Ma complained about low salaries and favoritism in selecting “model workers” at his factory. Apparently, he was very far from being cowed into submission by his time in labor reform, let alone deceased (SMA S38-4-14).
- 14 For this speech, see Li (1982, 64–80).
- 15 Li (2006) is a recent example.
- 16 One frustrated factory owner was quoted as saying, “Let’s all take off on the general line. It doesn’t matter one way or the other” (*Dajia pao zongluxian ye hao, hengshu wusuowei*). As Bennis So puts it: “Even though it was generally understood that the transformation was rapidly completed in 1956 because of Mao’s further ‘leftward’ shift and Party mobilization, it was also a rational choice for the capitalists to strip off their valueless capitalist integument as soon as possible” (So 2002, 701–702).
- 17 The other seven industries were woolen textiles, cotton textiles, hemp weaving, cigarette rolling, paper making, enamelware, and flour and rice milling.

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SCMP = Selections of China Mainland Press

SMA = Shanghai Municipal Archives

WMA = Wuxi Municipal Archives

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