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Marketing and Social Structure in Rural China

Part III

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Parts I and II of this article presented a summary description and preliminary analysis of marketing systems in late traditional and "transitional" rural China. Part III, the final installment, explores the ways in which commodity distribution on the Communist mainland is related to prior patterns of peasant marketing, and the extent to which rural collectivization has been geared to the natural systems of earlier times, standard marketing communities in particular.

Rural Marketing in Communist China

EVEN before the completion of land reform, the Communist regime had introduced in most parts of China the two new institutions through which it planned eventually to socialize rural trade, namely the state trading companies and the supply and marketing cooperatives. The former, wholly owned by the state and controlled by governmental departments of commerce, were normally established in cities and central market towns. Each company specialized in certain lines—e.g., grain, edible oils, marine products, stationery supplies—and established branches in nearby market towns as required for sales or purchases. With few exceptions, free competition obtained between the state trading companies and private firms until November 1953, when the companies began to acquire official monopolies of important commodities. By the end of 1954, state concerns had absorbed a number of larger private firms and captured a major share of the wholesale market.[142]

Supply and marketing cooperatives were established under the guidance of Communist cadremen in market towns throughout China. In form they were autonomous associations unattached to the state apparatus, but among their functions in practice was to collect local products and distribute imported goods for the state trading companies. At some point during 1955, the cooperatives, in conjunction with the state companies, came to handle at least half of the retail business of the rural markets.[143] By this time, shopkeepers in the standard markets and itinerant traders were for the most part dependent on "socialist commerce" for their supply of goods.[144]

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[142] *Hsin Hua pan-yüeh-k'an*, No. 91 (6 Sept. 1956), p. 46. A fuller treatment of state trading companies is found in Audrey G. Donnithorne, "Organizational Aspects of the Internal Trade of the Chinese People's Republic, with Special Reference to 1958–60," *Symposium on Economic and Social Problems of the Far East*, ed. E. F. Szczepanik (Hong Kong, 1962), pp. 55–68.

[143] Tientsin *Ta kung pao* [hereafter *TKP*], 28 Dec. 1955, trans. in *Survey of the China Mainland Press* [hereafter *SCMP*], No. 1210 (18 Jan. 1956), pp. 13–16. Also see *Ten Great Years* (Peking, 1960), p. 40.

[144] An official source puts it this way: "With the vital wholesale link in its hands, the state was able to control the sources of commodities and stabilize prices. It also created a situation in which private commerce had to go to state-owned socialist concerns for its supplies of goods . . ." Wu Cheng-ming, "Socialist Transformation of Private Trade," *People's China*, No. 10 (May 1956), p. 12.

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During the winter of 1955–56, cadremen in the supply and marketing cooperatives carried through a campaign which placed most of the 2.5 to 3 million private traders remaining in rural markets on the road to "socialist transformation." Small wholesalers and firms with dual wholesale-retail functions were encouraged to convert to joint (private-cooperative) ownership. Most of the small shopkeepers and pedlars were constrained to become sales and/or purchasing agents of the supply and marketing cooperatives; under this arrangement, the former private trader deposited capital with the cooperative as security and worked under its direction on a commission basis. In some instances, retail merchants in the same line were brought together in a cooperative store, with pooled capital and unified administration. By the spring of 1956, less than 5 per cent of retail sales in rural markets was left in the hands of wholly private entrepreneurs.[145]

It should not be imagined, however, that these changes, drastic though they were, added up to the demise of the inherited marketing systems. To the contrary, markets of the various types continued to meet on traditional schedules, and the new agencies took part at the appropriate level along with private individuals. The wholesaling functions of central markets were carried out as before—but primarily by state companies rather than by private firms. There was similar continuity of function in the case of intermediate markets, even though their intermediate role in the collection and distribution of commodities was now filled for the most part by agencies of the supply and marketing cooperatives. Despite the new scheme of things, itinerants continued to circuit the standard markets, and peasant producers were still able to sell directly to consumers.

With regard to central places, an instructive case is provided by Han-ch'uan *hsien*, Hupeh.[146] Of the 51 market towns in the *hsien* in the 1940's[147] it is possible, on the basis of gazetteers and other material, to identify with some assurance the three central and the nine or ten intermediate market towns. By 1956, twelve state trading companies had been established in the *hsien*, and it is notable that almost every one of them maintained an administrative post or branch in each of the three central market towns; five companies had branches *only* in the central market towns. By contrast, available data suggest that 25 of the 28 wholesale depots of the *hsien's* various supply and marketing cooperatives were in 1956 situated in intermediate market towns. In addition, the cooperatives maintained purchasing stations in most of the standard markets, and retail outlets in all of them.

Despite the continuity in structure, however, it became apparent as early as February 1956, that the pace of socialist transformation had been forced, at least within rural marketing systems. It is almost certain that private merchants had been pressed into joint-ownership enterprises or cooperative stores without adequate attention having been given to the problem of incentives. It is equally likely that the inexperience of leading personnel in the state companies and higher-level supply and market-

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[145] See in particular articles in Tientsin *TKP* dated 21 Jan., 29 Jan., and 4 Feb. 1956, and trans. in *SCMP*, No. 1222 (3 Feb. 1956), pp. 11–12; No. 1229 (16 Feb. 1956), pp. 14–17; and No. 1229 (16 Feb. 1956), pp. 17–19. Also Wu Cheng-ming, "Socialist Transformation."

[146] *Han-ch'uan hsien chien-chih [Brief Gazetteer of Han-ch'uan Hsien]* (Wuhan, April 1959), trans. in *Joint Publications Research Service* [hereafter *JPRS*], No. 16,268 (20 Nov. 1962).

[147] In 1951 parts of Mien-yang *hsien*, to the west, were added to Han-ch'uan *hsien*. The 51 market towns in question were those obtaining in the 1940's in the territory which Han-ch'uan *hsien* incorporated after 1951.

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ing cooperatives had impeded efforts to substitute central planning for the free market mechanism. "Perishable products," we are told, "were not purchased and sold in time." Produce was "left unwanted in producing areas but short in marketing areas."[148] "As the result of devoting major attention to the organization of cooperative stores," some peasants found it necessary "to proceed to the city for a package of tobacco or a couple of taels of wine."[149] Only belatedly was the lesson learned that "it was desirable for small shops and stalls . . . to continue to operate in a scattered way, instead of being concentrated, so they could better serve all localities."[150]

During the spring of 1956, two approaches to rectifying the dislocations in rural marketing are revealed in the Communist press, one "leftist" and one "rightist." The leftist solution[151] was to establish *in the villages* branches of the supply and marketing cooperatives and/or stores of certain state companies, taking as the unit the higher-level agricultural producers' cooperatives only then being formed.[152] It was argued that in the context of the inherited system, "peasants find it inconvenient to buy and sell, thus resulting in the loss of much production time."

> In the past, the peasants of Pin-huai village of Chiang-ning *hsien* [Kiangsu] had to do their marketing at T'u-chiao *chen*, 15 *li* distant. It takes at least half a day to cover the 30 *li* of a round trip. . . . Now the need to travel back and forth is obviated because a branch office of the supply and marketing cooperative has been established in the village itself.

In other words, the malfunctioning periodic marketing system was to be obviated by absorbing rural marketing entirely into an expanded official structure, thereby shifting onto hundreds of thousands of local cooperative branches the functions of the standard market. The difficulties which general implementation of this proposal would have created are apparent. In the first place, it would have overburdened the transport facilities available within the great majority of standard marketing systems and, in the second, it would inevitably have aggravated the problems of planning and logistics which had already undone authorities in the state companies and marketing cooperatives. In any case, after some experimentation with branch stores in the villages, this approach was abandoned on grounds of expense.[153]

The rightist solution, which by August 1956 had carried the day, was to overcome malfunctioning in the existing system by relaxing controls and giving a freer rein to the market mechanism. The restrictions which had been imposed on rural markets with increasing severity since late 1953 were thereupon slackened, and the campaign of socialist transformation brought to a halt—with the desired effects: both rural

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[148] P'an Ching-yüan, "Wei shen-ma yao k'ai-fang tzu-yu shih-ch'ang?" ("Why is it Necessary to Have a Free Market?") *Cheng-chih hsüeh-hsi*, No. 11 (13 Nov. 1956), pp. 10–14, trans. in *Extracts from China Mainland Magazines* [hereafter *ECMM*], No. 61 (17 Dec. 1956), pp. 31–34.

[149] Tientsin *TKP*, 4 Feb. 1956, trans. in *SCMP*, No. 1229 (16 Feb. 1956), p. 18.

[150] Wu Cheng-ming, "Socialist Transformation," p. 14.

[151] Data and quotations from Chang Yao-hua, "Wei shen-ma yao tiao-cheng nung-ts'un shang-yeh kang?" ("Why is it Necessary to Reorganize the Commercial Network in the Countryside?") *Shih-shih shou-ts'e*, No. 9 (10 May 1956), trans. in *ECMM*, No. 42 (9 July 1956), pp. 27–29.

[152] For the most part, higher-level agricultural producers' cooperatives ("collective farms") were formed to coincide with natural villages. See below.

[153] P'an Ching-yüan, in reference to earlier leftist policies, stated in November 1956 (see Footnote 148) that "state commercial organizations and supply and marketing cooperatives had had to establish branch stores, which . . . inevitably increased costs."

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production and rural-urban trade revived.[154] At the same time, however, the freer market in rural towns led to a black market in the cities, and the government found it necessary to adjust controls in order to protect its programs of "unified and planned purchase," i.e., the monopolies of the state sector. Throughout 1957 and the first half of 1958, authorities sought the optimal level of market regulation which would at once sustain the rural distribution system and suppress "the spontaneous force of capitalism [which] has once again grown out of the peasants' trade activities."[155]

What progress had been achieved, by the summer of 1958, in modernizing the rural marketing system? I should like to approach an answer to this question through a comparison with the situation a decade earlier, using the variables previously introduced.

In the realm of transport modernization, progress was marked. Thousands of kilometers of new rail lines had been built, many penetrating areas never before served by any modern transport, and considerable progress had also been made in extending the inland water routes suitable for steamer traffic.[156] It is estimated that China's rail network carried 186 billion ton-kilometers in 1958 as against 60.2 billion in 1952.[157] Comparable figures for the performances of modern shipping on inland and coastal waterways came to 37.9 billion ton-kilometers in 1958 as against only 8.6 billion in 1952. Motor roads, too, were improved and extended; the length of roads suitable for motor trucks was given in November 1957 as 227,000 kilometers, an approximate doubling of the peak pre-Communist total.[158] (A want of vehicles, however, meant that the number of ton-kilometers accounted for by trucks in 1958 amounted to only 5.3 billion.)

This expansion of China's modern transport network meant that by 1958 virtually all cities, a majority of central market towns, and a sizable proportion of all intermediate market towns were linked by reasonably efficient transport to industrial centers.[159] A major advance was therefore possible in the commercialization of agriculture and of peasant consumption. On the other hand, transport efficiency *within* intermediate and standard marketing systems was little improved during the 1949–58

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[154] See the State Council's "Instruction" of 24 October 1956, in *Jen-min jih-pao* [hereafter *JMJP*], 25 Oct. 1956, p. 1, and the interpretation in "Free Market," *China News Analysis* [hereafter *CNA*], No. 160 (7 Dec. 1956), p. 4.

[155] P'an Ching-yüan, "Tzu-yu shih-ch'ang shang liang-t'iao tao-lu ti tou-cheng" ("The Struggle between the Road of Socialism and the Road of Capitalism on the Free Market") *Hsin chien-she*, No. 3 (13 March 1958), pp. 21–28, trans. in *ECMM*, No. 136 (21 July 1958), pp. 27–33.

[156] See "Transport," *CNA*, No. 213 (24 Jan. 1958); Bernhard Grossman, "The Background of Communist China's Transport Policy," *Symposium on Economic and Social Problems of the Far East* (Hong Kong, 1962), pp. 46–54. For extensions of steamer traffic in Szechwan, see Afanas'evskii (Footnote 136 in Part II), pp. 313–18.

[157] All ton-kilometer estimates from U. S. Central Intelligence Agency, comp., *The Economy of Communist China*, 1958–62 (Washington, 1960), Table 9.

[158] The 1957 figure is taken from *JMJP*, 20 November 1957, as cited in *CNA*, No. 213, p. 6. *Ten Great Years* (Peking, 1960), p. 144, cites the following figures for the total length of highways in China: 80,768 km. in 1949, 126,675 km. in 1952, and 254,624 km. in 1957. Official statistics as of December 1936 had cited a total of 109,749 km. of highways in all of China, with an additional 16,165 km. under construction. *The Chinese Year Book* (Shanghai, 1937), p. 927.

[159] As in pre-Communist times, the highways were of greater importance for the modest increment of efficiency which they afforded animal-drawn carts and human carriers than for the jump in transport efficiency which comes with the use of motor vehicles. Of the total freight tonnage carried on China's *highways* in 1958, less than one quarter (280 million out of 1200 million tons) was carried by motor vehicles. In Honan province in the same year, over 90 per cent of *highway* freight was transported by animal-drawn carts. Peking *TKP*, 8 April 1959.

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decade, and in addition commercialization of the agrarian economy would appear to have been artificially limited during a part of the decade by restrictions on, and inefficiencies in, the distribution of consumer goods. Nevertheless, on balance one might expect a comparison of 1958 with 1948 to show considerable progress in agrarian modernization as measured by the demise of obviated standard markets and the transformation of higher-level market towns favored by the developing transport network.

Moreover, the specific form which socialist transformation took in China during the first decade of the Communist regime had a direct effect on market-town modernization. Marketing cooperatives and state companies alike added tens of thousands of permanent trading facilities to China's market towns. The collectivization of trade in the winter of 1955–56, even after the readjustments of 1957, reduced the total number and the proportion of itinerants among rural business firms. Furthermore, state trading companies were in most cases larger and more specialized than the private firms they replaced, the same being generally true of the cooperative stores established in 1955–56. Quite apart from the indirect effect of transport modernization and commercialization, then, Communist policy led to an increase in the degree and scope of economic specialization within higher-level market towns, and to a decline in the proportion which mobile firms formed of the total.

In an attempt to gauge the degree to which China's rural marketing system had modernized by 1958, I have analyzed data presented in a provincial gazetteer for Hunan published in 1961.[160] This unique compendium supplied for each *hsien* of the province the number of townships as of July 1958, immediately prior to the formation of communes. My analysis rests on the assumption that townships had by that date been brought into close correspondence with marketing systems; a brief review of the course of the regime's policy with regard to local administration will indicate why I was led to suspect that by the summer of 1958 such an alignment had been achieved.

During 1951–52, in the wake of land reform, townships had been *reduced* in size so as "to forge closer the ties between the government and the masses" and to accord with "the objective needs at the time of the large number of small individual peasant households in the rural areas."[161] For three years, as the cooperativization of rural households was pressed forward, the number of townships throughout China stood at approximately 220,000.[162] Then in December 1955, a directive of the State Council called for their consolidation, noting that the system of small townships "no longer meets the new situation following the rapid development of agricultural cooperativization,"[163] which is to say that the burgeoning agricultural producers' cooperatives were spilling over township boundaries. Accordingly the number of townships was

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[160] *Hu-nan sheng chih* (Ch'ang-sha, 1961), trans. in part in *JPRS*, No. 16,387 (27 Nov. 1962).

[161] Chang Li-men, ("Special Features in the Changes of Administrative Areas in China") *Cheng-fa yen-chiu*, No. 5 (2 Oct. 1956), trans. in *ECMM*, No. 57 (19 Nov. 1956), p. 11.

[162] A Nationalist source cites 218,070 as the number of townships in mainland China as of 1955. China, Kuo-fang pu, Ch'ing-pao ch'ü, *Kuan-yü fei-ch'ü hsing-cheng ch'ü-hua yen-pien ch'ing-k'uang chih yen-chiu*, etc. (Taipei, 1956), p. 21. Official Communist figures for 1952–55 vary between 210,000 and 220,000.

[163] The text of the directive is reprinted in *Jen-min shou-ts'e*, 1957. A translation of this passage is given by Roy Hofheinz, "Rural Administration in Communist China," *China Quarterly*, No. 11 (1962), p. 146.

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reduced to under 100,000 by the beginning of 1957 and to 80,000 by early June 1958, with further consolidation still in progress.[164]

In delimiting the new consolidated townships, administrative cadremen were cautioned to "take into account the natural situation . . . and the living habits of the masses."[165] Moreover, the operational guidelines set out in mid-1956 specified ideal township sizes in very close accordance with the average sizes of basic marketing systems. The average distance from the *hsiang* seat to *hsiang* boundaries should range from 15 *li* (8.6 km.) in "mountainous and remote regions" to 10 *li* (5.8 km.) in "hilly regions" to 5 *li* (2.9 km.) in "the plains." Township populations should range from 2–3,000 in the mountainous areas where *hsiang* are large to 5–8,000 in hilly regions to still higher figures in the plains. These figures are in full accord with the size estimates for standard marketing systems set out in Table 1, Part I. In addition, cadremen were told that townships in the plains "may contain . . . a population of around 20,000 if the population is dense" and "conditions of communications" warrant it—in other words, in the case of areas in the fertile plains around cities where the agrarian economy had been modernized.

The fact that in Szechwan, where townships corresponded to marketing areas in the first place, *no* consolidation occurred during 1956–58[166] strengthens the interpretation that township consolidation elsewhere was directed toward achieving a similar coincidence of administrative with natural systems. Moreover, Chinese Communist planners had before them not only "the Soviet principle of arranging administrative units according to economic function" but also a recent Soviet example of its implementation: the 1954 consolidation of village soviets in accordance with the earlier enlargement of *kolkhozy*.[167] In short, one is virtually forced to hypothesize that by the climactic August of 1958, townships had in most parts of agricultural China been brought into close correspondence with basic commercial systems.

In the case of Hunan, at any rate, this hypothesis is supported by the testimony of native informants, and I have accordingly analyzed the 1958 data for that province on the assumption that the number of townships corresponded in midyear with the number of standard marketing systems plus modernized trading systems or, to put it another way, that there was at that time a one-to-one correspondence between Hunan's economic central places and its township seats.

When the average area and population of townships in each *hsien* of the province, as computed from the gazetteer data, are plotted on a map (see Figure 9), patterning of the kind predicted by my modernization model is apparent. Summary results are set out in Table 7. In five *hsien* (Zone A in Figure 9)—situated in the heart of the Hsiang river valley, centered on three of Hunan's four largest cities, and including *the* communications hub of the province—the population of townships averaged over 14,000. A ring of some 16 *hsien* (Zone B) surrounding this central zone and con-

[164] *JMJP*, 25 June 1958. In fact there was a pause in administrative consolidation during 1957 while the Party officially resolved its doubts concerning the wisdom of fostering ever-larger cooperatives.

[165] *Shih-shih shou-ts'e*, No. 14 (25 July 1956), trans. in *ECMM*, No. 48 (20 Aug. 1956), pp. 34–35. The relevant article, in the form of questions and answers, appeared in a journal which is designed specifically for the guidance of cadremen and "activists." All quotations in the paragraph are from this source.

[166] This statement, based on the testimony of informants, is supported by the fact that Nationalist figures for *hsiang* and *chen* in 1948 and Communist figures for township-communes in 1958 were virtually identical. (See below.)

[167] Hofheinz, pp. 143, 146.

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taining all the four remaining cities of Hunan's largest seven, plus three important centers of modern transport, showed an average township population of approximately 13,300. In Zone C, consisting of 22 *hsien*, less urbanized yet moderately well served by modern transport, the average township's population was still smaller. In the case of Zone D, a ring of 29 *hsien* more remote from urban centers and poorly served by modern transport, township population was markedly smaller: less than 9,000 on the average. And finally, in the 14 *hsien* situated in the peripheral areas designated E on the map, essentially unpenetrated by modern transport of any kind, the average township population was well under 7,000.

It will be noted in the middle column of Table 7 that the population density of

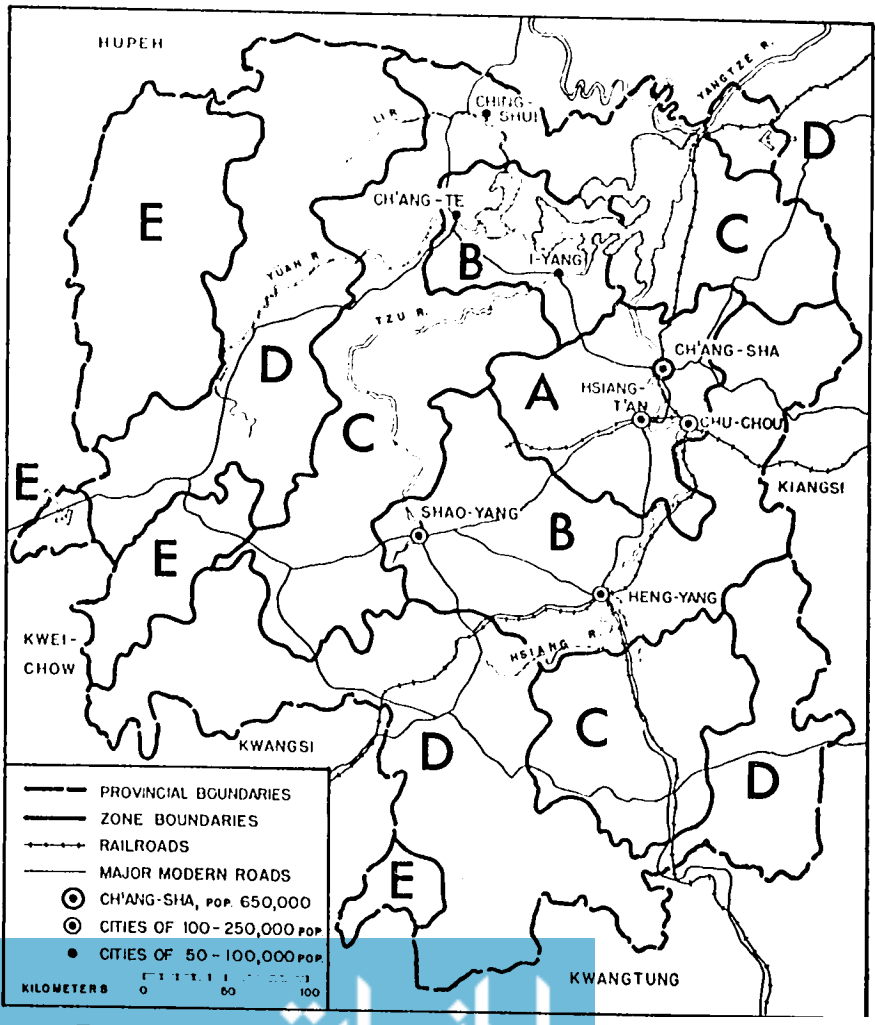

FIGURE 9. Hunan, 1958, showing five zones of differential modernization.

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TABLE 7—AVERAGE SIZE OF TOWNSHIPS BY ZONES OF AGRARIAN MODERNIZATION, RURAL HUNAN, 1958

Zone[1]	No. of *hsien*	Area in sq. km.	1958 population[2]	No. of townships[3]	Density	Ave. township area Expected[5]	Ave. township area Actual	Ave. township pop. Expected[5]	Ave. township pop. Actual	%age of IMS[6] putatively modernized
A	5	12,059	3,868,000	273	321	31.5	44.2	10,100	14,168	44.6
B	16	38,698	9,567,500	718	247	38.9	53.9	9,606	13,325	43.8
C	22	55,820	10,870,100	869	195	47.3	64.2	9,204	12,508	41.8
D	29	75,084	8,022,700	919	107	70.4	81.7	7,519	8,729	22.2
E	14	27,735	2,608,000	394	94	78.6	70.4	7,388	6,619	0
Total	86	209,396	34,936,300	3,173[4]	167	52.6	66.0	8,778	11,010	32.1

Source: *Hu-nan sheng chih*, vol. 2, *Ti-li chih* (*Hunan provincial gazetteer*, vol. 2, *Geographic gazetteer*). Ch'ang-sha: Hunan People's Press, 1961. Translated in part in *JPRS*, No. 16,387 (27 November 1962).

[1] The areas and populations of nine municipalities are not included in any zone or in the totals for rural Hunan.

[2] Official end-of-year figures.

[3] The number of *hsiang* and *chen* in mid-year, just prior to the formation of communes.

[4] Of which 2937 were *hsiang* and 236 *chen*.

[5] The general regression equation of average township area (y) on average density of population (x) is $y = Ax + B + C/x$. Since a full discussion of this equation is inappropriate here, the following remarks, strictly descriptive and non-technical, must suffice. A, which determines the slope of the curve, is presumed to hold constant through time; its value (−.045) is derived from 1948 data for the Szechwan Basin. B, which affects the vertical placement of the curve, is assumed to increase as a direct function of the total rural population; its value for 1948 (29) was derived from the Szechwan Basin analysis; the value used for 1958 (35) is derived directly from the 1948 figure and from the estimated rural population of agricultural China in the two years: 460 and 555 million, respectively. C determines the degree of bend or curvature and also affects the vertical placement of the curve; it is the constant which represents the level of commercialization. It was found to be 7790 in the case of the largely uncommercialized portion of the Szechwan Basin in 1948, and 4900 in the case of the commercialized Central Riverine Zone. For Hunan in 1958, values for C were taken to vary from a low of 3500 in Zone A to a high of 4500 in Zone E; for rural Hunan as a whole, these assignments yield a value for C of just under 4200. The assignment of higher values to C would decrease the estimates made of the proportion of intermediate marketing systems which have modernized, while the assignment of lower values would increase them. Variation of these assignments within reasonable limits, however, modifies the estimate for Hunan as a whole by only a few percentage points.

[6] Intermediate marketing systems.

each zone decreases as one proceeds from A to E. Differentials in the average size of townships, however, are far more marked than can be accounted for by these variations in density alone. Using regression equations which reflect putative differentials in the degree of commercialization as between zones,[168] we may derive for each the average area and population which would be expected to obtain on the assumption that no markets had been closed through modernization. When these expected averages are compared with the actual figures (see columns to the right of center, Table 7), it will be seen that as one moves from Zone E to Zone A the actual averages constitute steadily increasing proportions of the "expected." The average area and population of townships in Zone A exceed the "expected" figures by over 38 per cent, while those of Zone D exceed the "expected" by only 10 per cent; in the case of Zone E the actual average falls short of the "expected." Everything about the layout of the zones suggests that these disparities should be attributed to differential agrarian modernization.

If the difference between the actual averages and those predicted by the model is, in fact, to be accounted for solely by differential rates in the demise of obviated traditional markets, then the proportion of intermediate marketing systems which had been modernized by the summer of 1958 was (see column at the far right of Table 7) between 40 and 45 per cent in Zones A, B, and C, approximately 22 per cent in Zone D, and nil in Zone E. For all of rural Hunan, this analysis yields an overall rate of 32 per cent. Hunan, happily for our purposes here, is probably as near to being representative of agricultural China as a whole as any single province can be, erring if anything on the modernized side, and we may therefore estimate that by the end of the Communist regime's first decade, at least 30 per cent of intermediate marketing systems in agrarian China had been modernized.[169] This left approximately 48,000 unmodernized standard marketing systems in the Chinese countryside at the beginning of August 1958.

At that point, following a momentous policy shift to the left, the regime attempted the impossible. With an agrarian economy which, despite remarkable progress and considerable commercialization, was still largely unmodernized, with a rural marketing network over seven-eighths of whose nodes were traditional periodic markets, the regime attempted not merely to reform, not gradually to obviate, not eventually to bypass, but to *dispense altogether* with the traditional institutions of peasant marketing. As a part of the communization movement which spread throughout most of China in August and September, supply and marketing cooperatives were merged to form within each commune a single department which would

handle the sales of products and the supply of necessities of the commune under the guid-

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[168] See Footnote 5, Table 7.

[169] An estimate in excess of 30 per cent is given circumstantial support by the total number of post offices and postal stations in rural China as of 1959—if it is assumed, that is, that a post office or postal station is maintained in each town which still functions as an economic central place. According to *JMJP*, 21 Sept. 1959 (p. 9), in all of mainland China there were in 1959 some 64,000 post offices and postal stations, of which 53,000 were in rural areas. According to my modernization model, the number of economic central places remaining in agricultural China exclusive of cities would total 53,960 on the assumption that 30 per cent of intermediate marketing systems had been modernized, and 51,760 on the assumption of 35 per cent modernization. Since a certain number—most probably under a thousand—of the "rural" postal stations must have been situated in non-agricultural China, these figures suggest a modernization rate of intermediate marketing systems closer to 35 than to 30 per cent.

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ance of state trading organs. The basic form of business of the supply and marketing department is to purchase and sell on behalf of state trading organs. . . . The supply and marketing department may sell in the commune the products left over after the commune has fulfilled the task of state purchase and unified purchase. . . . For the convenience of the people, the . . . department should set up its branches in all contingents and retail departments in . . . out-of-the-way areas . . .[170]

As institutional rearrangements in accordance with this charter were completed, periodic markets in most of agrarian China were closed. Traditional marketing weeks which had recurred in thousands of markets for centuries without break were abruptly discontinued. Every day was now "cold" in the market towns.

One can only speculate concerning the psychological shock and the social deprivation which this sudden cessation of one of the basic rhythms of peasant life entailed, but on the economic side the record points to a conclusion which is hardly moot: The abolition of the periodic marketing system in most parts of China quickly induced near paralysis in commodity distribution. "As things stand now," reported the planning commission for O-ch'eng *hsien,* Hupeh, in early December 1958,[171]

consumer goods are far from enough to meet the people's needs . . . Textile goods are in short supply or their supply is exhausted. Those placed on sale do not suit the needs, in variety or style. . . . According to statistics of the sales department for general goods, 400 kinds of products are in short supply. . . . The supply of 47 categories [of subsidiary foods] has been discontinued, [and] of these, 32 are completely out of stock.

Worse still, nothing had been done in the hsien to meet established requirements for 30,000 piculs of fertilizer, 88,000 picks, 8,800 carrying poles and large quantities of other farm supplies and equipment. In Wu-lien *hsien,* Shantung, an industrial fibre produced by two communes was used as fuel because of the breakdown in commercial exchange, and "such seasonal fruits as cherries and apricots were . . . allowed to rot . . . due to delay in organizing marketing facilities."[172] Commercial departments in Hopei, vainly seeking economies of scale, "sent over forty cadremen to buy 10,500 piglets in Shantung and Hupeh. . . . More than 60 per cent of them died or were injured in transit due to the long distance, large numbers and poor handling."[173] These instances—but a sample of the many hundreds cited during 1959 in an effort to identify and overcome the causes of marketing failure—point to gross inadequacies in the facilities, resources, skills, and/or experience which the hastily formed supply and marketing departments of the communes brought to the imposing task of supplanting the periodic marketing system.

Temple fairs—rechristened "commodity-exchange fairs" but reshaped with only the lightest touch—helped tide the rural populace over the winter season of slack

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[170] Model article concerning Supply and Marketing Departments of Rural People's Communes published in *JMJP,* 4 Sept. 1958, trans. in *People's Communes in China* (Peking, 1958) [hereafter *PCC*], pp. 78–79.

[171] "Kuan-yü tang-ch'ien shih-ch'ang wen-t'i ti tiao-ch'a pao-kao" ["Report of an Investigation into Current Marketing Problems"] *Chi-hua ching-chi,* No. 12 (Dec. 1958), trans. in *ECMM,* No. 157 (11 Feb. 1959), pp. 17–18.

[172] *New China News Agency* [hereafter *NCNA*], Tientsin, 7 July 1959, trans. in *SCMP,* No. 2059 (21 July 1959), p. 10.

[173] Li Ju-mei, "Shih-t'an kung-she mao-i shih-ch'ang ti tso-yung" ("Functions of Commune Trade Markets") *Ho-pei jih-pao,* 3 Aug. 1959, trans. in *SCMP,* No. 2134 (12 Nov. 1959), p. 25.

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agricultural labor. During the summer of 1959, however, the mounting evidence of breakdown in commodity distribution forced an agonizing reappraisal, although the Great Leap was a year old before the consequent shift in policy was clarified and given public notice. In August, *Ta kung pao* revealed that "rural markets"—which it hailed as a "new departure"—had been introduced in certain provinces.[174] Then, on September 23, a directive of the State Council[175] finally brought the official retreat: "Rural markets," the country was told, "facilitate the exchange of commodities among people's communes, production brigades and commune members. They also," it went on pointedly, "help commercial departments locate sources of commodities." Therefore, supply and marketing departments were to organize rural markets "so as to smooth the flow of materials between town and countryside . . . and activate the rural economy." The directive avoided terms such as "reactivate" or "reestablish," but it did note that the schedules of the new markets were to be set "in accordance with old usage."

Thus began the long and arduous task of reconstituting the rural marketing system so wantonly abandoned the year before. The process was slow for a number of reasons. Convinced that it had now achieved a "unified socialist economy" and ever wary of the "spontaneous force of capitalism," the regime allowed markets to reopen only under the strictest of controls. Committees formed of representatives from the various commune departments and led by the commune Party branches were established for each market as it was revived to control prices, participants, and marketing practices.[176] It took years of indoctrination from above to convince some market-control committees that commerce was not inherently evil, that commune self-sufficiency was, despite declarations in the early months, not necessarily a virtue, that the rural market had anything proper to do with the mainstream of supply, or that time spent in the market town rather than in production was really justified on socialist principles.[177] Only in mid-1961 was it made clear that the rural periodic markets should be viewed by cadremen as other than a temporary expedient.[178]

The recovery of rural markets was also impeded by the natural disasters and agricultural fiascos of 1959–61. Given the close interdependence of agricultural production and rural marketing, it is difficult to disentangle cause and effect. The dismantling of the existing marketing system in 1958–59 inevitably weakened the economy's ability to withstand the tribulations brought by succeeding years and undoubt-

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[174] Peking *TKP*, 24 Aug. 1959. See "Communes and the Market," *CNA*, No. 299 (30 Oct. 1959), pp. 2–3.

[175] *NCNA*, Peking, 24 Sept. 1959, trans. in *SCMP*, No. 2108 (2 Oct. 1959), pp. 6–9.

[176] *Ibid.*, p. 9; Ch'en Hsing, "Yu ling-tao yu chi-hua ti k'ai-chan nung-ts'un chi-shih mao-i" ["Develop Trade at Rural Markets with Leadership and Planning"] *JMJP*, 25 Nov. 1960, p. 7, trans. in *SCMP*, No. 2393 (8 Dec. 1960), pp. 11–14.

[177] As late as June 1961, favorable publicity was given to a case of market-day schedule reduction designed to minimize the loss of production time. The market in P'ao-tzu in Fou-hsin *hsien*, Liaoning, had been revived with its traditional 2–5–8 schedule, but to conserve production time the authorities altered the schedule to 5–10 for the duration of the busy farming season. *JMJP*, 22 June 1961, trans. in *SCMP*, No. 2528 (30 June 1961), pp. 18–20.

[178] "It would be incorrect to regard the holding of rural markets as a temporary measure . . . and to open or close them at will." Kuan Ta-t'ung, "Kuan-yü nung-ts'un chi-shih mao-i" ["On Trade in Rural Markets"] *Hung-chi*, No. 18 (16 Sept. 1961), pp. 16–22. See also Yang Hsiao-hsien, "Chia-ch'iang tsu-chih ling-tao keng-hao ti k'ai-chan nung-ts'un chi-shih mao-i" ["Strengthen Organization and Leadership in Futhering the Development of Trade in Rural Markets"] Peking *TKP*, 13 Jan. 1961, trans. in *Union Research Service* [hereafter *URS*], XXIII, No. 5 (18 April 1961), 70–74.

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edly exacerbated the subsequent economic depression, but it is equally certain that the poverty, not to say desperation, of the peasantry during those lean years retarded the rehabilitation of the previously disrupted system. In the last analysis, full restoration of the rural marketing system was dependent on the recovery of agricultural production.

A third set of factors underlying slow progress in the restoration of rural marketing systems stems from the fact that the Great Leap left control of plant resources at the strategic nodes of higher-level marketing systems in the hands of cadremen engaged in socialist commerce. And in retrospect, the evidence is clear that cadremen—whether on the staffs of governmental departments of commerce, state trading companies, or supply and marketing departments within rural communes—often lacked training and experience adequate for the successful solution of logistic problems and for the rational administration of warehouses and docks. Furthermore, the priority given industry at the national level led to an allocation of resources inadequate in many instances even to maintain much less upgrade transportation and central facilities. There was, in addition, a serious problem of morale: marketing cadremen suffered not only from the malaise which was general among rural cadremen in 1960–61 but also from the taint bequeathed to their calling by the traditional Chinese disparagement of tradesmen and commercial enterprise.[179] An official report dated April 1962 admits that "for three years, from August 1958 to October 1961, storage and transport were handled in an unsystematic way; . . . administration of the storehouses became confused, transport efficiency was lowered, and general administration was bad."[180]

Finally, in accounting for the meager progress made during 1959–61 in the rehabilitation of the rural marketing system, one must point to a basic flaw in Communist practice. Attention was drawn in Part I (p. 31) to a difference between administration and marketing in the mode of articulation. Whereas administrative units are discrete throughout the system, each lower-level unit belonging to only one unit at each ascending level, marketing systems are indiscrete at all levels except that of the standard market. It has also been noted (Part I, pp. 8–9) that imperfections in the alignment of administrative with economic central places are neither avoidable nor inconsiderable. For these reasons, it is infeasible to contain or constrain the interlocked network of natural marketing systems within the bounds of discrete administrative units.

Nonetheless, evidence points to a conscious and consistent attempt on the part of Communist planners during 1959–61 to do just that. As rural marketing revived, local cadremen in many parts of China attempted to redesign marketing systems in conformity with administrative divisions, in particular by forcing supply and marketing cooperatives to deal with state companies in their *hsien* seats rather than in their traditional higher-level market towns.[181] A case in point is the Hsi-liu Ho Supply and Marketing Cooperative in Mien-yang *hsien*, Hupeh. Situated about 100 kilometers west of Wuhan and directly accessible to it by water, the market town which served as the cooperative's headquarters belonged to Wuhan's city trading system, and within that system its primary economic orientation was eastward, toward the hub. However,

[179] This last problem was still a matter of serious concern in 1964. See the editorial in Peking *TKP*, 29 Aug. 1964.

[180] Peking *TKP*, 14 April 1962, trans. in *CNA*, No. 435, p. 4.

[181] See "The Movement of Goods," *CNA*, No. 462 (29 March 1963), pp. 3–6.

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"when the procurement of freight was changed according to administrative area, this cooperative secured its freight from state-owned companies in Mien-yang City," the *hsien* capital still farther away from Wuhan to the west. The cost of this attempt to bring Hsi-liu Ho into Mien-yang's central marketing system was an increase in transport distance from 97 to 132 kilometers and in elapsed time from two to ten days.[182]

Misguided efforts of this kind were pursued at the provincial level as well, as may be illustrated by another case involving Wuhan. Yüeh-yang *hsien* is situated in northeastern Hunan, on the Hupeh border. "Merchants of Yüeh-yang traditionally bought from Wuhan because it is the natural route for commodity circulation," but in keeping with the Communist policy of confining trade within administrative units, the *hsien* was for many years constrained to deal with the purchase and supply stations at Ch'ang-sha, its provincial capital to the south.[183] Attempts to align marketing systems with administrative units, which persisted well into 1962, imposed an enormous additional burden on China's meager transport and storage facilities. Some indication of the size of that burden is given by a 1963 survey conducted in Chin-chou, Liaoning.[184] "In the past, when commodities were purchased and sold according to administrative areas," freight movement in a district encompassing 33 lower-level supply and marketing cooperatives attained an annual total of 485,100 ton-kilometers, whereas after natural economic systems were restored the annual figure was reduced to 277,200 ton-kilometers.

It is symptomatic of the pace of recovery that even intermediate markets were in many cases not reopened until a year or more after the green light had been given by the State Council. The market in Ch'ing-feng-tien, for instance, an important intermediate market town in Ting *hsien*, Hopei, was revived only in December 1960.[185] Other intermediate markets as described in 1961 compare unfavorably in number of participants and volume of trade to typical counterparts thirty years earlier. Let me illustrate with two markets described in the Communist literature of this period which are readily identifiable as having been situated in intermediate market towns: Nan-ma in I-yüan *hsien*, Shantung, and P'an-lung in Wu-hsiang *hsien*, Shansi.[186] The former is described as having 5-600 participants at its 2-per-*hsün* markets during most of the year, with as many as 3,000 in the slack farming season, while the number of participants on market days at the latter is reported to have increased from 500 in the fall of 1960 to 1000 in the spring of 1961. By comparison, Sun-chia *chen*, an intermediate market of only moderate size in Tsou-p'ing *hsien*, was observed during the summer agricultural season of 1933 to have nearly 800 traders and 8000 buyers at one of its 4-per-*hsün* markets.[187] Even a modest intermediate market like that in Tung-t'ing, Ting *hsien*, had 2–3000 participants on an average market day during the years around 1930.[188]

These and other examples indicate that as of 1961, rural marketing had not yet

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[182] Peking *JMJP*, 21 Feb. 1963. The relevant article is translated as "Economic Areas not Administrative Areas Should be Criteria for Commodity Circulation." *JPRS*, No. 18,712 (*Communist China Digest*, No. 89), 16 April 1963.

[183] Peking *TKP*, 12 Jan. 1963. The relevant article is translated as "The System of Supplying Several Districts by One Purchase and Supply Station." *JPRS*, No. 18,096 (13 March 1963), pp. 16–19.

[184] See Footnote 182.

[185] Peking *TKP*, 28 April 1961, trans. in *SCMP*, No. 2499 (18 May 1961), p. 1.

[186] Peking *TKP*, 21 Jan. 1961, trans. in *SCMP*, No. 2349 (6 March 1961), pp. 2–6. Peking *TKP*, 17 April 1961, trans. in *SCMP*, No. 2399 (18 May 1961), pp. 6–10.

[187] C. K. Yang, *A North China Local Market Economy*, p. 7.

[188] S. D. Gamble, *Ting Hsien*, p. 280.

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recovered from the disruption set in train during the fatal August of 1958. Official sources cite 40,000 as the number of rural markets functioning in the summer of 1961[189]—a figure, however, which reflects the fact that many pre-1958 markets destined to reopen had not yet done so, either because of the opposition of local cadremen or because the policy of forcing trade to accord with administrative units deprived certain natural economic centers of the volume of transactions needed to support the traditional market.[190] While the number of periodic markets in agricultural China was rising in 1961—according to my modernization model, toward a peak in the vicinity of 45,000—there is no basis for determining at just what point the revival of pre-1958 markets and the establishment of new markets in developing regions were offset by the demise of already revived standard markets now obviated through agrarian modernization.

The years 1962-64 stand in sharp contrast to 1959-61 with respect to both policy and achievement. There is every evidence from the more recent period that the lessons of the Great Leap, if belatedly drawn, were at least well learned—that central planners and local cadremen alike profited from past mistakes. I should like to summarize relevant developments during these years as they relate to three themes: restoration of the shape and structure of traditional marketing systems, socialization of rural traders, and modernization of transport. In all three spheres, central planners achieved levels of considerable sophistication and cadremen took unwonted pains to accommodate reality in their particular localities.

It was not until the autumn of 1962 that the government took formal notice of the damage done by the arbitrary severing of traditional trading relations and launched a campaign to restore them. In September, *Jen-min jih-pao* insisted that

> . . . the historical, logical supply relations must be re-discovered. People may prefer a certain product from a certain place because of facility of transport or simply because that is what the people were used to. . . . These conditions still persist today . . . Therefore, this must be studied and these traditional relations re-established, of course not completely and not in every detail, because not all traditions . . . are logical today.[191]

Administrative divisions and "economic areas" are two different things, *Ta kung pao* pointed out in an obvious reference to the distinction between *hsien* and central marketing systems, and in the supply of goods the "economic areas" must take precedence.[192] According to the policy announced in January 1963, cooperatives in lower-level market towns were to be allowed to choose their own supply centers according to their historical tradition. *K'ua ch'ü kung-ying* went the new slogan: "In matters of supply, rise above administrative divisions!"[193]

In implementing the new policy during 1963, local cadremen proceeded, or were in any case urged to proceed, on a sound basis of empirical investigation. The effort in Kiangsu province, for instance, began with a period of field research lasting from

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[189] Peking *TKP*, 18 Oct. 1961. Also Kuan Ta-t'ung (see Footnote 178).

[190] Peking *TKP*, in an editorial of 30 Dec. 1962 reviewing developments during the past year, referred to the increase in trade "following the further restoration of rural markets . . ." (*JPRS*, No. 17,796, pp. 6–7.) Clues of this kind plus the testimony of *émigrés* make it clear that a number of the standard markets closed in 1958 were reopened only in 1962.

[191] 17 Sept. 1962. Trans. in *CNA*, No. 462, pp. 3–4.

[192] Peking *TKP*, 12 Jan. 1963. See *CNA*, No. 462, p. 6.

[193] *CNA*, No. 462, p. 6.

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May to mid-October. The investigators focused their attention on three crucial commodities—live pigs, fresh vegetables, and table salt. Their objectives were, on the one hand, to determine the traditional routes and patterns of commodity flow and, on the other, to ascertain current shipping routes and trading patterns. They operated by gathering data in particular market towns and also by traveling with the commodities from point of origin to point of sale. With the facts of rural trade in hand, marketing cadremen were then charged with organizing commodity allocation and circulation according to "rational economic-area divisions."[104]

Comparable astuteness has characterized recent efforts to socialize rural traders. The campaign which had been conducted at a forced pace during the winter of 1955–56 had proved disruptive of rural trade. Furthermore, how lasting its effects were is questionable in the light of evidence that many cooperative stores established at that time were later dissolved and that at least some of the itinerant and petty traders brought into the sphere of socialist commerce as agents of the supply and marketing cooperatives subsequently resumed their independent status. A survey conducted in the standard market of Yu-ting-ch'u, Yang-chiang *hsien*, Kwangtung,[105] showed that during the third quarter of 1961 private transactions at market accounted for over two-thirds of the total by value. State commerce and supply and marketing cooperatives were involved in less than one-third of all transactions by value, while cooperative stores and traders accounted for a negligible half of 1 per cent. During the course of a campaign which was held up as a model for the nation, almost all of the private traders in Yu-ting-ch'u were brought into the fold of socialist commerce, and the proportion which wholly private transactions formed of the total was reduced to one-quarter.

Subsequent efforts to socialize rural traders in other parts of the country evidence a number of relatively enlightened features. First, the practical knowledge of the newly socialized itinerants and petty traders is sought and traditional practices are frequently used rather than flouted. A case in point is provided by Ch'in *hsien*, Shansi, a mountainous district with primitive transport and some 1200 small villages. In pre-Communist days, it had been customary for itinerant pedlars to circuit villages within each standard marketing area. For many years, the supply and marketing cooperatives had discouraged the practice until in early 1963, in the wake of further socialization, the traditional circuits were reinstituted by "assistants" of the cooperatives.[106] Second, a conscious attempt is being made to enhance the prestige of marketing and supply cadremen, and to give employees and agents of both the cooperatives and the state companies pride in their commercial role. A campaign to combat the lingering stigma attached to trade was launched in the fall of 1964 under the slogan: "Overcome the ideology of belittling commerce."[107] Finally, recent campaigns place emphasis on winning the favor of the peasants as against forcing their custom. An

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[104] Peking *TKP*, 22 May 1964. The relevant article is translated as "On Simplifying Commodity Circulation Links." *JPRS*, No. 25,948 (17 Aug. 1964).

[105] Kuo Lung-ch'un and Lin Jui-fan, ("How Supply and Marketing Cooperatives Expand their Business in Yang-chiang and Hsin-hui") *JMJP*, 20 Dec. 1962, p. 2, trans. in *JPRS*, No. 18,240 (20 March 1963).

[106] "80 per cent of Assistants of Supply and Marketing Cooperatives in Ch'in *hsien*, Shansi, Carry Loads of Goods to Rural Areas for Sale." *NCNA*, Taiyuan, 16 Jan. 1964, trans. in *SCMP*, No. 3156 (7 Feb. 1964), pp. 9–10.

[107] See, e.g., Peking *TKP* editorials of 29 Aug. and 18 Sept. 1964.

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illustration of the current approach is cited in *Ta kung pao* of December 2, 1964: It was found that personnel in the agency store of the supply and marketing cooperative in Huang-sung-tien, a market town in Chiao-ho *hsien*, Kirin, had been consistently undergrading the local products brought for sale by the peasants. The store employees were thereupon taught that such practices represent a survival of reactionary capitalism and were led to accept a more proper conception of their role as servants of the people as well as of the agency. Now, "when foreign substances are found mixed in the medicinal herbs, the agent often helps the commune member to pick them out so that the goods may bring a better price."[198]

As for transport, the past three years have seen remarkable progress in the extension of motor roads and inland waterways. By June 1964, the two southwestern provinces of Szechwan and Kweichow completed a building program which brought almost every *hsien* into the highway network.[199] Furthermore, in Szechwan, navigation on the Ch'ü river was facilitated by the construction of an important dam, and in Kweichow a major dredging program increased the total length of navigable waterways to more than 35,000 kilometers and enabled tugboats to penetrate the upper reaches of the Wu river.[200] These developments indicate that even in the more remote and "backward" provinces, virtually all central market towns (and, of course, many lower-level market towns as well) are linked by modern transport to industrial centers. Progress has been scarcely less impressive in areas which were better off to start with. The highway network of Kwangtung, for instance, which by August 1964 included a total of nearly 32,000 kilometers, now links up over 85 per cent of the province's rural communes;[201] these figures indicate that in Kwangtung modern transport serves the great majority of central places down to the level of the intermediate market town.

It is of particular significance that during 1962–64 greater attention than ever before was given to transport facilities at the local level.

The present effort at building roads aims at the opening up of commercial routes to the villages to facilitate the transport of locally produced goods as part of the policy of priority given to agriculture. Better roads are being built by the provincial governments, but most of them are being built on local initiative. They are rarely fit for motor traffic; on the better roads horses and ox carts may travel; on others handcarts . . . can be pushed or pulled by man."[202]

To this account should be added the fact that rubber-tired wheelbarrows, improved carts, and bicycles are now being mass produced for peasant use on the new highways and the better village roads.[203] "On market days," reported one enthusiastic writer

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[198] Peking edition, p. 2. Trans. in *JPRS*, No. 27,977, 23 Dec. 1964.

[199] Exception must be made for eight *hsien* in the far west of Szechwan, beyond the limits of agricultural China. In the case of Szechwan, total length of completed motor roads comes to 35,000 km. "New Highways Built in Szechwan Province." *NCNA*-English, Chengtu, 4 June 1964; "Hilly Southwest China Province Builds up Highway Network." *NCNA*-English, Kweiyang, 7 June 1964; *JMJP*, 9 June 1964, p. 2.

[200] "Growth of Shipping in Communist China," *URS*, XXXV, No. 14 (19 May 1964); "Improved Transportation in Southwest China." *NCNA*-English, Kweiyang, 22 Nov. 1963.

[201] Tseng T'ien-chieh, ("Fifteen Years of Highway Transport in Kwangtung") *NCNA*, Canton, 14 Aug. 1964, trans. in *URS*, XXXVI, No. 26, pp. 389–92.

[202] *JMJP*, 11 June 1963, p. 2.

[203] "Village Transport," *CNA*, No. 147 (20 April 1962).

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after a visit back to his native place, "it is not an exaggeration to say that the roads flow with bicycles . . .," their "rear hampers . . . filled with purchases of . . . household goods."[204] There is reason to believe, then, that as of 1964 the efficiency of transport is steadily improving *within* a sizable proportion of standard and intermediate marketing systems as well as between their hubs and higher-level centers. Recently published articles afford reason to believe, too, that Communist planners are fully aware of the implications of this progress in local transport—for agricultural production, for the commercialization of agriculture, and for long-range agrarian modernization.[205]

It must be assumed, therefore, that as of 1964, standard markets are being obviated at an appreciable rate. One scholarly article on rural marketing noted that the periodic markets of 1962, by contrast with the "old free markets" of traditional times, were for the most part limited to "*hsien* seats and the market towns immediately below them;"[206] the authors of this remark appear to recognize that modernization had obviated periodic markets not only in central places at the highest levels (cities and some central market towns) but also in small towns at the other extreme of the central-place hierarchy. An article published in 1964 urged the adoption of a particular institution "in economically developed areas and in economically backward places, in districts with rural markets *and in those without*,"[207] implying that in not a few *hsien* agrarian modernization had led to the demise of all traditional markets. My own estimate is that modernized areas devoid of periodic markets accounted by the end of 1964 for at least 40 per cent and perhaps as much as 45 per cent of China's onetime intermediate marketing systems. If true, the Chinese countryside must at the present time support 42–45,000 traditional periodic markets alongside of 6500–7300 modern trading centers.

Given this level of modernization, it is not a little surprising to find just how serviceable the analytic categories developed for the study of *traditional* Chinese marketing remain. The central-place hierarchy of premodern times persists, and there has been remarkable continuity in the functions performed in each type of market town. Let me conclude this section with a summary description of present-day marketing in support of this assertion.[208]

What Communist usage describes as "basic-level supply points" are still for the most part standard market towns. Each of the putative 32–34,000 standard markets continues to convene periodically according to one of the traditional Chinese schedules.[209] As in former times, peasants sell to one another with minimal restrictions the

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[204] Hou Yen-pei, "Farmers Take to Bicycles." *China Reconstructs*, XII, No. 8 (Aug. 1963), 17.

[205] See, e.g., Chang Wu-tung and Yang Kuan-hsiung, ("The Role of Transportation in the Development of Agricultural Production") *JMJP*, 6 June 1964, trans. in *SCMP*, No. 3247 (26 June 1964), pp. 4 ff.

[206] Ho Cheng and Wei Wen, "Lun nung-ts'un chi-shih mao-i" ["Trade in Rural Markets"]. *Ching-chi yen-chiu*, No. 4 (17 April 1962), p. 14.

[207] Peking *TKP*, 2 Jan. 1964, trans. in *SCMP*, No. 3140 (29 Jan. 1964), p. 8. Emphasis added by GWS.

[208] No attempt is made to provide full documentation for the generalizations made below. They are based on a reading of articles on rural trade published in Communist publications from the summer of 1963 through 1964, and on the testimony of 1963 *émigrés*.

[209] To cite only one instance: Ch'ing-feng-tien, Ting *hsien*, Hopei, is listed in the *Ting-chou chih* of 1850 as an important *chen* with a 2–7 market schedule. A newspaper account of the town published a few months after the market reopened (Peking *TKP*, 28 April 1961) tells us that in 1961 its market days included March 3, 8, 13, 18, and 23. These dates turn out to be the 17th, 22nd and 27th of the first lunar month and the 2nd and 7th of the second lunar month. Marketing thus continues on the schedule which was traditional over a hundred years ago.

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products of their own "sideline occupations." But in standard markets today, representatives of individual households are outnumbered by agents of production teams, production brigades, and communes. Itinerant traders move from one periodic market to another as in traditional times, but in 1964 they are comparatively few in number, officially licensed, normally supplied by, if not agents of, marketing cooperatives, and restricted in their circuiting to particular marketing systems. Prominent among the permanent firms represented in the contemporary standard market are the retail stores and procurement stations of state enterprises and of the supply and marketing cooperatives. (The commune "departments" of 1958 reverted to independent status in 1961.[210]). There is every indication that at the present time virtually all standard market towns serve as the headquarters of supply and marketing cooperatives.

The funneling and supply functions of the intermediate market town and the bulking and wholesaling functions of the central market town are, in the current dispensation, shared by a variety of agencies. The local production of "first category" items[211]—i.e., essential commodities monopolized by the state, including most notably grains, edible oils, cotton, tobacco, and sugar—eventually reach the procurement stations which state companies maintain in the intermediate market towns, and are shipped on to their warehouses in central market towns and cities. Other local products of the "second category"—nearly 300 commodities under "planned purchase"—are, in areas of their major production, likewise handled solely by "state commerce." First- and second-category items for local consumption are imported into a given trading system solely by the state trading companies, which distribute them through warehouses maintained in central market towns, and through wholesaling agencies of the supply and marketing cooperatives situated in both central and intermediate market towns. Retail outlets for controlled commodities of this kind—including, e.g., cigarettes, tea, salt, and iron nails—are either the cooperative's own stores in the market towns or petty traders selling on their behalf.

Finally, in the case of the so-called "third category" of uncontrolled goods—"a big proportion of the commodities put on the market"[212]—vertical distribution is effected in part through a special type of warehouse under state commerce which "acts as an intermediate link and accepts responsibility for storing, buying and selling of such commodities. . . . Their purpose is to channel goods from the villages to the cities."[213] Vertical distribution of third-category items is also accomplished through the flourishing institution now known as the "commodities-exchange fair." Lower-level commodities-exchange fairs, held in market towns usually in connection with temple festivals, carry out functions which have traditionally been associated with the intermediate market town.[214] Attended primarily by representatives of basic-level mar-

[210] *URS*, XXXII, No. 21 (10 Sept. 1963), 379.

[211] For a fuller description of the three categories of goods, see *URS*, XXXIII, 340.

[212] Canton *Nan-fang jih-pao*, 14 Nov. 1963, trans. in *SCMP*, No. 3125 (23 Dec. 1963), p. 15. "Third-category agricultural and subsidiary products are an important source of cash income to peasants and of money to add to the production funds of production teams. Income from this source accounts for around 40 per cent of the total agricultural income."

[213] "Commerce, 1957–1962," *CNA*, No. 435 (31 Aug. 1962), pp. 4–5. "It is striking that these warehouses, like private commercial agencies in the past, advertise in newspapers the range of their business, and the type of commodities for which they are agents."

[214] "After the liberation, these temple fairs were gradually turned into commodity exchange fairs aimed at coping with the needs of development of production and the people's livelihood." Peking *JMJP*,

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keting cooperatives and production teams, they function to "expedite the flow of commodities from wholesale channels to retail outlets."[215]

The distinction drawn by *Ta kung pao* early in 1964[216] between smaller market towns with periodic markets and the larger towns which hold commodities-exchange fairs is not unfamiliar. Since peasants have "few chances" of going to distant towns or cities, "they are in urgent need of rural markets that are open to them periodically, markets which not only supply manufactured goods but also absorb . . . farm produce and subsidiary agricultural products." But just as it was infeasible for the traditional standard market to supply a wide variety of goods for its peasant consumers, so in 1964 it is "impossible . . . for the retail outlets of basic-level supply and marketing cooperatives in rural districts to handle several thousand varieties of commodities all year round . . . regardless of the purchasing power of rural customers." And, just as the peasant in need of a comparatively esoteric product would in traditional times have visited his intermediate market, so, we are told in 1964, "commune peasants may also participate" in these occasional fairs held in the larger market towns, which offer a "relatively complete range" of commodities at "reasonable prices."

Commodities-exchange "meetings"—a more appropriate translation of *hui* in this context than "fairs"—of another type are held in central places above the *hsien* seat, and they are devoted to transactions which contract for the future delivery of third-category goods in wholesale lots from one unit in the relevant city trading (or central marketing) system to another. Participants represent supply and marketing cooperatives, state warehouses, and procurement and supply stations in the various towns of the system. One of their achievements, according to recent accounts, has been the re-establishment of "traditional circulation channels."[217]

Finally, it should be noted that despite modernization of many higher-level central places, there remain in contemporary China a number of essentially unmodernized central market towns.[218] An-liu, already an important central market town in republican times, is situated in Wu-hua *hsien*, in the Hakka region of northeastern Kwangtung. In April 1963,[219] it is described as

> a fairly big place where goods and materials are concentrated and redistributed. . . . Every-time the market convenes, the number of people who attend reaches 10,000 to 20,000. . . . The warehouses of the supply and marketing cooperatives in An-liu market have always handled goods outside the scope of the State plans by adopting such methods as making purchase and supply locally, sending goods to and bringing in goods from other places. Last year, 71 varieties of goods were purchased and marketed by the supply and marketing cooperatives for their customers. The cooperatives also organize licensed petty traders and pedlars to do legal purchasing and marketing for them. Last year, more than 200,000 bam-

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25 Aug. 1964, based on a report from *Shan-hsi jih-pao*, 17 Aug. 1964. The relevant article is translated in *SCMP*, No. 3299 (16 Sept. 1964). Temple fairs were normally held once or twice annually; commodities-exchange fairs are often convened more frequently.

[215] Quotations from Peking *TKP*, 2 Jan. 1964. For a collection of articles on these fairs, see *URS*, XXXIII, No. 22 (13 Dec. 1963).

[216] Peking, 2 Jan. 1964. All quotations from *SCMP*, No. 3149 (29 Jan. 1964), pp. 8–9.

[217] Peking *TKP*, 24 July 1963, trans. in *URS*, XXXIII, 351.

[218] According to my modernization model, when 40–45 per cent of all intermediate marketing systems have been modernized, the number of essentially unmodernized central market towns, in agricultural China as a whole, should fall in the 1300–1500 range.

[219] Canton *Nan-fang jih-pao*, 26 April 1963, trans. in *URS*, XXXII, No. 21 (10 Sept. 1963), 387–392.

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boo farm tools were sent to other places for marketing. Meanwhile, over 8,000 head of piglets and over 5,000 catties of soy bean were brought in from other places.

The references to cooperatives clearly indicate the postrevolutionary date of this account. But at the same time the description leaves little doubt that, in structure and basic function, An-liu in 1963 remained a central market town in the traditional mold.

The significance of these continuities should not be misread, however. What the Chinese Communists tried to achieve overnight in 1958 remains an objective to be attained gradually through modernization over many years. If the continued existence of the rural periodic market is "dictated by an objective need," as the current view of the theoreticians would have it, that need is of the present and must change as the basis for a new order is built in the communes.[220]

As of today, however, rural marketing in mainland China bears the unmistakable stamp of traditional custom and premodern practice. Even in the tomorrow when periodic markets are eventually obviated, the structure will not be wholly new. For in learning the lesson of the Great Leap—in electing to work through rather than against the inherited system—the Chinese Communists have not only enhanced their chances of ultimate success but also ensured the perpetuation of essential form and function.

Marketing Communities and Rural People's Communes

There is no need here to review in any detail the general course of the march toward collectivization in rural China during the decade beginning with the Communist victory in 1949. Land reform proper was followed by the organization first of mutual-aid teams, then of lower-level agricultural producers' cooperatives, and then of "collective farms," as the larger, more "advanced" producers' cooperatives are often called. There is considerable evidence that, when feasible within the limits set by the cooperative form itself, these progressively larger collectivities were aligned with existing natural social systems. It would appear, for instance, that many lower-level agricultural producers' cooperatives were organized within the fixed neighborhoods characteristically found in China's medium and large villages,[221] while collective farms were in most cases brought into correspondence with natural villages, except where village size was far below the norm.[222]

During the years that saw the extension of collectivization to the level of collective farms—of which there were in the summer of 1958 approximately 750,000 in all of China[223]—administrative units at the local level were, as noted previously, also being

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[220] Quotation from Yao Kuan, "Socialist Commerce in China," *Peking Review*, No. 8 (21 Feb. 1964), p. 11. Also see Liang Yao, ("The Current Task of Supply and Marketing Cooperatives") *Hsin kung shang*, No. 2 (18 Feb. 1964), trans. in *Selections from China Mainland Magazines*, No. 421 (15 June 1964), pp. 1–5.

[221] The arithmetic of the case tends to confirm this correspondence. Village neighborhoods, it would appear from the literature, typically ranged from 5 to 75 households, with the great majority clustered between 20 and 40. Communist sources give 32 as the average number of households in lower-level agricultural producers' cooperatives (*Hsin Hua pan-yüeh-k'an*, No. 24, 21 December 1956, pp. 63–65).

[222] Support for this assertion is given in the text below and in Footnote 235.

[223] By March 1957, some 668,000 collective farms had been established. Helen Yin and Yin Yi-chang, *Economic Statistics of Mainland China* (Cambridge, Mass., 1960), p. 38. The figure for the number of agricultural producers' cooperatives which was cited in the summer of 1958 is 740,000, while the retrospective figure for the total number of collective farms from which communes were formed is given as 750,000. Hong Kong *TKP*, 17 Sept. 1964, trans. in *SCMP*, No. 3307.

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amalgamated. I have set out above my reasons for believing that, by the late summer of 1958, townships in agricultural China bore a resemblance to natural marketing systems which was both close and intended. Given the determination of Communist planners, as revealed in August 1958, to merge the lowest-level administrative unit with the highest-level unit of collectivization, outside observers had good reason to expect that the new unit would be established in correspondence with the natural systems given shape by rural marketing. "Generally speaking," noted the first Party resolution on the subject, "it is at present better to establish one commune to a township, with the commune comprising about two thousand peasant households."[224]

The advantages of such an arrangement can scarcely be overstated. That the market town is a natural site for administration of its dependent area is obvious: Marketing periodically brings to town representatives of households throughout the administrative unit, and village leaders can, on market days, readily consult their administrative superiors. The tendency for standard marketing areas to be discrete and at the same time to exhaust the rural landscape facilitates their unforced alignment with units of territorial administration. Furthermore, variation in the size of administrative units must, for much the same reasons which lead to variation in the size of marketing areas, accord with prevailing population densities. And since modern transport facilitates administration no less than trade, the adjustments in the size of marketing systems which had occurred in areas of agrarian modernization likewise suited the requirements of administration.[225]

Marketing communities also recommend themselves as the appropriate unit for a variety of rural reconstruction efforts. Programs designed to improve peasant welfare and to modernize rural communities are most efficiently mounted when they take advantage of the market town's position as a natural center of communications and service facilities. In this regard, a number of the country's outstanding sociologists had for years sung the praises of the natural marketing community. "The market town area," concluded Ch'iao Ch'i-ming in 1934, "is the best size and unit for rural organization plans."[226] In the final paragraph (p. 41) of his 1944 monograph, C. K. Yang praised the periodic market—"practically a mass meeting of surrounding villages"—for "its numerous possible uses in developing group action." In 1945 Martin Yang called attention to the eminent suitability of "a market-town community organization" for "the purposes of rural reconstruction programs."[227] He recommended that rural school systems be aligned with marketing communities and pointed to the advantages of concentrating facilities for vocational and adult education in the market town. As for medical facilities, "it would be ideal if the district [served by each health station] could be the traditional market-town area," for "rural people have been long accustomed to consult the doctor or buy medicine in the market town."

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[224] "Resolution of the Central Committee of the Chinese Communist Party on the Establishment of People's Communes in the Rural Area," 29 Aug. 1958. Official translation in *PCC*, p. 3. The passage went on to note that more than one commune might be established in a township which "embraces a vast area and is sparsely populated" and that several townships might be merged into a single commune "in some places . . . according to topographical conditions and the needs for the development of production"—meaning, perhaps, in modernized areas?

[225] Experience in Szechwan during the Republican period had clearly demonstrated the advantages of a postal system which maintained one agency in each market town. Li Mei-yün, *An Analysis of Social, Economic and Political Conditions in Peng-shan Hsien . . .*, 1945, p. 288.

[226] *Chiang-ning hsien Shun-hua chen hsiang-ts'un she-hui-ch'i chih yen-chiu*, 1934, p. 44.

[227] All quotations from Martin Yang in this paragraph are from pp. 246–48 of *A Chinese Village*.

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That the standard marketing community is an optimal unit for cooperative production has also been convincingly argued by Martin Yang. The following observations were published in 1945 in the concluding chapter of his Shantung village ethnography:[228]

Cooperative irrigation and drainage, collective control of insects and diseases are best put into operation through the combined forces of a large community. Moreover, the market-town area would be ideal for agricultural extension work and the market town would be the headquarters of the producing cooperatives.

When it is possible to mechanize China's agriculture, the pattern . . . will doubtless resemble the much-advocated collective farm, with machinery and tractor stations established in central places to serve groups of villages. The natural and ideal location of such a station undoubtedly is the market town, which will eventually be transformed into a center of power supply and agricultural aid in a broad sense. . . .

The larger a farmers' marketing cooperative is the better, because only a large one can provide the necessary volume of business. However, since success also depends on community interest, the basic unit should not be too large. In general, the market-town community is about the right size.

It would be desirable if . . . rural workers could work by day in . . . market-town factories, returning to their own homes in the villages in the evening. In this way, the small industrial center and a number of residential or agricultural villages could exist side by side to form an ideal rural community . . .

Rural people's communes? There can be little question what Martin Yang would have recommended as the proper unit. It need hardly be added that my advice would have been the same, even though the basis for it was laid in a part of China remote from Shantung in custom and ecology as well as distance.

In fact, however, during the Great Leap Forward of 1958, the Communist planners took a great leap right over the standard marketing community and carved out an artificial unit nearly three times as large. Rapid-fire mergers of collective farms on the one hand and of townships on the other produced, after adjustments in 1959, approximately 24,000 communes, each consisting on the average of well over 5,000 households. If it was the Communists' intention to develop rural people's communes as integrated economic and administrative units, these figures suggest that in 1958–59 they hit upon a system-size of very little promise.

It is, of course, prejudging an important issue to say that they "hit upon" a particular level for commune organization. The decision to make communes larger than basic marketing systems may well have been deliberate, and if so, it is not unreasonable to surmise that one objective was to circumscribe and diminish the pernicious particularisms of traditional social relations. In this regard, of course, the Communist planners faced a dilemma whose twin horns had become only too familiar during the formation of collective farms. When units of collectivization are made to coincide with natural social systems, the organizational task is greatly simplified by the ease with which traditional bonds can be used to reinforce the solidarity of the new unit, but at the same time that task is complicated by the inappropriateness of those bonds to the very nature and objectives of modern organization. On the other hand, when units of collectivization are made to crosscut or envelop natural systems, the advantage which accrues from escaping the constraints of traditional ties is necessarily

[228] Pp. 246–47. The passages have been reordered.

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coupled with serious disadvantages, in particular the need to build up organizational strength and to develop solidarity not simply *de novo* but in the face of mutually antagonistic loyalties to the component natural groups. There is some evidence that, having been nicked by the second horn, Communist cadremen in 1957 veered back toward the first, and that by the summer of 1958 they were finding *it* painfully sharp. A brief review of the earlier experience may thus prove instructive.

The relevant directive of September 1956[229] had been benevolently tolerant of multi-village collective farms, if it did not deliberately encourage their formation. It took favorable notice of certain "cooperatives consisting of several villages which are carrying out production smoothly, are properly consolidated, and are able to operate successfully," and it laid down the following guidelines for the size of collective farms: approximately 100 households in mountainous areas, 200 households in hilly areas, and 300 households on the plains—figures which far exceed the average size of Chinese villages in each type of terrain. The directives issued a year later, however, conveyed a decidedly different emphasis: Unfavorable mention was given those "collective farms which have grown to huge and unwieldy proportions"[230] and the conclusion was drawn that "from now on," the collective farm should in general consist of "a village of just over 100 households."[231] "It appears from experience of the past year that, in the majority of cases, 'one village-one collective farm' is the appropriate arrangement."[232] "All the existing collective farms which are too big and have not been run with success should be appropriately reduced in size according to the demand of members."[233] The implication that grave difficulties had been encountered in attempting to operate multi-village collective farms is borne out by evidence of intervillage conflict, particularly with regard to the leveling of consumption standards as between villages differently endowed.[234]

Be that as it may, by 1958 a majority of the collective farms in rural China had been aligned with natural villages,[235] resulting in what one analyst has called "resurgent village localism:"[236]

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[229] "Directive of the CCP Central Committee and State Council on Strengthening Production Leadership and Organizational Structure in Agricultural Producers' Cooperatives." *NCNA*, Peking, 12 Sept. 1956, trans. in *SCMP*, No. 1382 (3 Oct. 1956).

[230] "Directive of the CCP Central Committee on Overhauling Agricultural Producers' Cooperatives." *NCNA*, Peking, 17 Sept. 1957, trans. in *SCMP*, No. 1618 (26 Sept. 1957), quotation from p. 21.

[231] "Directive of the CCP Central Committee on Improving the Administration of Production in Agricultural Producers' Cooperatives." *NCNA*, Peking, 15 Sept. 1957, trans. in *SCMP*, No. 1618 (26 Sept. 1957), quotation from p. 25.

[232] "Directive . . . on Overhauling . . . ," p. 21.

[233] "Directive . . . on Improving . . . ," pp. 24–25.

[234] The 1956 Directive (Footnote 229) had warned that "villages which differ greatly in the distribution of land, in the levels of income, and in the nature of production and management should not be incorporated into one collective farm under present conditions, since this would be detrimental to both production and consolidation . . ." And the 1957 Directive on Improving the Administration of Production (Footnote 231) referred to "the tendency toward dispersionism and departmentalism" within collective farms. Evidence of factionalism along intervillage lines, not adduced here for want of space, is abundant in the periodical literature of 1957 and in interview protocols obtained from *émigrés*.

[235] The literature on rural China attests the existence of *bona fide* villages as small as five households and as large as five hundred; the great majority would appear to fall in the 50–200 range. Average (mean) village size in late traditional and republican China was well under 100 but rising. According to my general model, the average for villages *per se* in 1958 was still less than 100, but the average for villages together with standard and intermediate market towns was slightly over 100. Inasmuch as agricultural households in lower-level market towns as well as in villages were organized during 1956–57 into collective farms, the latter figure is the relevant one. The average number of households in collective farms as of mid 1958 is officially given as 160 (*Hsin Hua pan-yüeh-k'an*, No. 19, 12 Oct. 1959). This

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When the Communists encouraged the pooling of land for use under . . . centralized management . . . , they inadvertently recreated the critical ingredient of lineage and village power, the collective land holdings. Moreover, by the unrelenting stress on the proletarian collective, party leaders enforced obligations to the village and consciously reestablished . . . defunct village activities . . . such as the village meeting . . .

In addition, the renewed significance of functions previously associated with the localized lineage and with time-honored village institutions gave extended scope to leadership grounded in traditional particularism. As of 1958, then, despite a decade of preachment about proper socialist or, if you will, universalistic principles, bonds of common origin (*t'ung-hsiang*) were still invoked by the peasant in seeking favors from the authorities, kinship ties (*t'ung-hsing*, for instance) still elicited cooperation where more rational appeals failed, classmates (*t'ung-hsüeh*) were often truer comrades than fellow Party members, and within the cooperative-farm-*cum*-village, the local leader who could manipulate these particularistic allegiances was often more effective than the outside cadreman. If this was indeed the situation in 1958—and interviews with *émigrés* in Hong Kong tend to confirm it—then what hope was there to break these patterns so long as the units of operation were precisely the natural, traditionally hallowed communities of village and marketing system? Only a great leap beyond the local world within which the peasants' particularistic principles operated might free him for socialist construction.

Considerations of this kind may have commended to Communist planners a system-size larger than the standard marketing community, but they can hardly be said to account for the precise level of average commune size in the country as a whole or in specific regions. In this regard, however, available data afford a number of clues. It should be noted, to begin with, that average commune size varied drastically from one part of China to another, and that the contrast was particularly sharp as between agricultural China, on the one hand, and the less productive territories to the north and west, on the other. Figures released for the number of communes by province—of which more below—make it clear that in 1959 non-agricultural China supported no more than 2,400 communes, only one-tenth of the national total. The territory encompassed by the average commune of non-agricultural China was, therefore, immense: something in excess of 1800 square kilometers. By contrast, the approximately 21,600 communes within agricultural China averaged less than 200 square kilometers in size.[237] It is obviously misleading, then, to work with national averages, and I shall henceforth focus on agricultural China alone. In doing so, it is intriguing to recall the estimates, presented in Table 6 (Part II), which yield 65,200 as the cumulative total of the number of rural and suburban traditional markets in agricultural China,

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statistic suggests that villages of larger-than-average size as well as those of average size were in most cases organized into a single collective farm, whereas smaller-than-average villages were usually combined into multi-village units, a conclusion which is reinforced by a comparison of my model estimate for the total number of villages and lower-level market towns in agricultural China—1.2 million in 1958—with the total number of collective farms, 750,000. Thus, while it may not be quite true that a majority of villages formed a single collective farm, it remains highly probable that a majority of collective farms in 1958 did consist each of a single natural village.

[236] John W. Lewis, "The Leadership Doctrine of the Chinese Communist Party: The Lesson of the People's Commune." *Asian Survey*, III, No. 10 (Oct. 1963), 463. It is unfortunate that the context of Professor Lewis' remarks makes it appear that the general alignment of collectivized unit with village occurred as *lower-level* agricultural producers' cooperatives were formed during the mid 1950's.

[237] For details and documentation see Table 8 below.

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1900–1948. Is there significance in the fact that the number of communes in agricultural China as of 1959 (21,600) was almost exactly one-third of this figure?

One possibility in this regard is suggested by the circumstance (noted in Part II, p. 205) that the intermediate marketing system is, in the case of Model B, equivalent to precisely three standard marketing systems—the higher-level market's own standard marketing area plus one third of the marketing area of each of the six dependent standard markets. It will also be recalled from the analysis of Part II that a Model-B distribution of market towns is favored on fertile plains in the proximity of cities, and that agrarian modernization in a Model-B terrain yields modern trading systems equivalent in area to traditional intermediate marketing systems, i.e., to three traditional standard marketing systems. Is it possible that the prototype of the commune was evolved in areas where market towns were distributed according to Model B *and* where agrarian modernization was advanced? Was the system-size which made eminent sense in such an environment then popularized as a model for the whole country?

This interpretation is supported by several bits of evidence. To begin with, the provinces which took the lead in the formation of communes—Honan, Liaoning, and Hopei[238]—are all exceptionally well served by railroads and relatively modernized. Furthermore, Liaoning is China's most urbanized province, and Hopei together with northern Honan also have urbanization rates far above the national average.[239] Moreover, one can be fairly certain that in the fertile plains surrounding Kaifeng, Chengchow, Peking, Tientsin, and Mukden, the distribution of markets does approximate Model B. Secondly, most of the "model communes," that is, the particular cases publicized within China itself, were situated in areas served by modern transport.[240] Thirdly, the number of households reported for many model communes, and the number of component villages reported for some, accord with what one would expect if each corresponded to a Model-B intermediate marketing system (4,000–6,500 households and 48–60 villages). For instance, Lo-ta commune, Ching-feng *hsien*, Honan, was formed with 53 villages and 5,746 households.[241] Ch'i-li-ying commune, Hsin-hsiang *hsien*, Honan, visited by Mao Tse-tung and given full propaganda treatment in a special pamphlet, included 6,100 households.[242] Cheng-shih commune, Ch'ü-chiang *hsien*, Kwangtung, situated in the environs of Shao-kuan city on the Canton-Hankow railroad, incorporated 4,625 households.[243] And Shang-suan commune, one of the first in Yunnan, was formed with 53 villages and 6,320 households.[244]

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[238] For general accounts of the commune movement during 1958–59, see Cheng Chu-yüan, *The People's Communes* (Hong Kong, 1959); Anna Louise Strong, *The Rise of the Chinese People's Communes* (Peking, 1959); and *An Analytical Study of the Chinese Communist's "People's Communes"* (Taipei, 1959).

[239] Cf. Morris B. Ullman, *Cities of Mainland China: 1953 and 1958* (Washington, D. C., 1961), p. 11 and enclosed map.

[240] I have located about 20 of these model communes on large-scale maps, and the great majority are situated on or near railroads, motorable roads, and/or rivers navigable by steamers. Practically all the communes publicized during the first year are located in the strip of more modernized provinces running from Liaoning in the northeast to Kwangtung in the south.

[241] *An Analytical Study*, pp. 16–17.

[242] K'ung Hsiang-kuei, *Tsai Ch'i-li-ying jen-min kung-she* [*Inside Ch'i-li-ying People's Commune*] (Peking, February 1959).

[243] Chao Yu-li, "Spotlight on a People's Commune," *Peking Review*, No. 4 (27 Jan. 1959), p. 14.

[244] *Ying-chieh wo-sheng jen-min kung-she yün-tung* [*Welcome the People's Commune Movement in Our Province*] (Kunming, 1958), p. 43.

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In fact, however, these instances are something less than representative of all model communes; and of the total array for which relevant data are available, those which conform to the system size of intermediate marketing systems constitute less than a majority. Furthermore, the three-to-one ratio of standard marketing system to commune, as will become apparent below, fails to hold up from one region of agricultural China to another. It seems to me quite likely that basic commune strategy was initially evolved by higher-echelon cadremen whose offices were located in big cities on the plains of North China and South Manchuria and who, in consequence, inspected rural areas in which modernized Model-B trading systems were general. But even if true, this circumstance appears to bear no causal relationship to the *average* commune size of agricultural China as a whole.

Not only did a number of the communes selected to serve as models exceed the upper limits of the typical intermediate system; it can in addition be shown that some model communes bore no relationship to any possible trading system at whatever level. Let me illustrate once again with a few specific cases. Wei-hsing commune, Sui-p'ing *hsien*, Honan—doubtless the most widely publicized of all model communes—in 1958 incorporated 9,369 households and nearly 200 square kilometers,[245] far more than three times the population or territory which intermediate marketing systems in the area could conceivably have included. Hung-kuang commune, Ning-ching *hsien*, Hopei, was formed to incorporate 95 villages and 11,294 households,[246] and Kao-pei-tien, a model commune founded within the municipal limits of Peking, included no less than 136 villages.[247] The artificiality of these outsized models can be demonstrated in the case of Chao-ying commune, Shang-ch'eng *hsien*, Honan, which was formed with more than 20,000 households.[248] It included at the very least five standard marketing systems, forming portions of at least two intermediate marketing systems. The intermediate market towns in question were situated one on the road running north and one on the road running northeast from the *hsien* seat, and it appears extremely likely that the most efficient way to get from the one part of the commune to the other was through the *hsien* capital. The latter, however, a central market town and the center of the central marketing system to which both parts of the commune belonged, formed together with *its* environs another commune altogether.

When we turn from model to average communes, a still more remarkable fact appears with respect to commune size. In eight provinces and the suburban areas of two provincial-level municipalities, the consolidation of townships not only surpassed the levels where each might have corresponded to a basic-level marketing system (that is, to a traditional standard marketing system or a modern trading system, whichever was present), it went even beyond the level at which each commune would have had a single *intermediate* or higher-level market. The ten administrative

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[245] *Ho-nan jih-pao*, 14 Aug. 1958; *Ts'ai ching yen-chiu*, No. 6 (15 Sept. 1958), trans. in *ECMM*, No. 148, pp. 23–30.

[246] *JMJP*, 18 April 1959.

[247] "Kao-pei-tien jen-min kung-she tiao-ch'a" ["An Investigation of Kao-pei-tien People's Commune"] *Ch'ien-hsien*, No. 7 (1959). Reprinted in *Jen-min kung-she kuang-mang wan-chang* [*The Thousand-League "Leap" of the People's Commune*] (Peking, 1959), pp. 55–63.

[248] Tseng Hou-jen and Feng Hsing-hua, "Chao-ying kung-she kuo-chien ti ching-yen" ["Chao-ying Commune's Experience in Expansion"], *Tsen-yang pan jen-min kung-she* [*How to Manage People's Communes*] (Chekiang, 1958), pp. 38–42. Details supplied in this source, coupled with reference to large-scale maps, make possible a reasonably valid analysis of the commune's composition.

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units in question stretch in unbroken array from Liaoning in the north to Kwangtung in the south. In each the average size of rural communes exceeded 6,000 households already at the end of September 1958. These units are grouped together as the Eastern "core" provinces in Table 8, where it can be seen that the adjustments of 1959 brought the average size in this whole area to over 8,000 households.

These figures for the Eastern "core" of agricultural China together with the sev-

TABLE 8—ESTIMATED DISTRIBUTION AND AVERAGE SIZE OF RURAL PEOPLE'S COMMUNES, AUTUMN 1958 AND AUTUMN 1959

	No. of rural communes	No. of households	Ave. no. households per commune	Area in sq. km.[2]	Average area per commune
A. "Completed" Distribution according to data for 30 September 1958[1]					
Eastern "core" provinces[3]	10,485	78,668,944	7503	1,670,200	159
Rest of Agricultural China					
Northeast[4]	819	3,261,510	3982	429,000	525
Northwest[5]	3,610	9,503,407	2633	661,900	183
Szechwan[6]	4,751	13,641,993	2871	309,000	65
Kweichow	2,322	3,281,700	1413	174,000	75
Yunnan[6]-Kwangsi	1,405	6,836,394	4866	450,400	321
Fukien-Kiangsi	2,003	6,854,034	3422	287,900	144
Total	14,910	43,379,038	2909	2,312,200	155
Non-agricultural China	2,502	4,034,765	1613	4,357,000	1741
Total Mainland China[7]	27,897	126,082,747	4520	8,339,400	299
B. Estimated Distribution as of August 1959[8]					
Eastern "core" provinces	9,850	79,140,000	8035	1,670,200	170
Rest of Agricultural China					
Northeast	700	3,281,000	4687	429,000	613
Northwest	2,750	9,561,000	3477	661,900	241
Szechwan	4,300	13,724,000	3192	309,000	72
Kweichow	1,500	3,301,000	2201	174,000	116
Yunnan-Kwangsi	1,150	6,877,000	5980	450,400	392
Fukien-Kiangsi	1,350	6,895,000	5107	287,900	213
Total	11,750	43,639,000	3731	2,312,200	197
Non-agricultural China	2,400	4,059,000	1691	4,357,000	1815
Total Mainland China	24,000	126,838,000	5285	8,339,400	347

[1] This table is based on data published in *T'ung-chi kung-tso* (*Statistical Work*), No. 20 (1958), p. 23. The original source gives for each province the number of rural communes formed by the end of September, the total number of households included in the already formed communes, and the proportion which these constitute of all non-urban households destined for commune membership. For 17 of the provincial-level units, that proportion was 100 per cent; for 8 others it was 92 per cent or higher, and for only three (Sinkiang, Ningsia Hui Autonomous Region, and Yunnan) was it lower. The figures given in this table

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eral cases of spectacularly large model communes[249] give rise to the suspicion that in certain circumstances the achievement of large size *per se* came to override other more rational considerations in determining commune composition. In this regard, it is significant to note that during the fall of 1958 the Communist press very quickly abandoned the caution of the first official statements concerning commune size. The first Party resolution in late August, as noted above, called communes with only two thousand households "better" and allowed for the possibility that several communes might be formed from a single township. It went on to state that "for the present we should not take the initiative to encourage" the establishment of communes with more than 10,000 households.[250] In early September, however, a similar statement in *Jen-min jih-pao*[251] while noting that "several townships may be combined to form a commune," failed to mention the possibility that a township might be too large for a single commune. Furthermore, it observed without caveat that "in some cases" communes had been established with 10,000 households. In mid-September, Wu Chih-p'u, First Secretary of the Party Committee in Honan, announced with unmistakable pride that in *his* province the average commune embraced 7,500 households.[252] Thereafter, no further reference to an ideal of two thousand households was

for numbers of households are derived directly from the original table. The figures given here for the number of communes involve a direct extrapolation for the 8 province-level units of whose non-urban population 8 per cent or less were not yet communized; in the case of Sinkiang, Ningsia Hui Autonomous Region and Yunnan, however, the extrapolations are adjusted somewhat to account for the fact that communes tended to be formed in agricultural areas prior to their formation in pastoral and other non-agrarian areas. The totals of the original table were 121,936,350 households and 26,425 communes. It should be explicitly noted that never during 1958–59 were there as many communes in China as the extrapolated total (27,897) suggests, for the communes formed during the summer of 1958 were further consolidated before the last communes to be formed were organized in all of the remote areas of the country.

[2] The areas of province-level units used are those given in *China. Provisional Atlas of Communist Administrative Units* (Washington, D. C., 1959), Plate 4. The areas of *hsien*-level units have been taken, with adjustment when indicated, from Kuan Wei-lan, ed., *Chung-hua min-kuo hsing-cheng ch'ü-hua chi t'u-ti jen-k'ou t'ung-chi piao.* [*Statistical Tables of Administrative Subdivisions together with Land Areas and Population*] (Taipei, 1956), p. 81. The urban cores of all municipalities and of certain *chen* were not communized in 1958 but reserved for later incorporation into urban communes. No attempt has been made to compensate for the negligible areas involved.

[3] Includes the following 10 contiguous provinces and two province-level municipalities, listed from north to south: Liaoning, Hopei, Peking, Shantung, Honan, Kiangsu, Shanghai, Chekiang, Anhwei, Hupeh, Hunan and Kwangtung.

[4] Includes Kirin and those *hsien* of Heilungkiang which fall in agricultural China.

[5] Includes Shansi and Shensi, plus those *hsien*-level units of the following which fall in agricultural China: Inner Mongolia Autonomous Region, Ningsia Hui Autonomous Region, Kansu and Tsinghai.

[6] Includes only those *hsien* in agricultural China.

[7] Exclusive of Tibet and Chamdo.

[8] Territorial units are defined as for Table A. The number of households has been increased across the board by 0.6 per cent. The commune consolidation ratio used for each territorial unit is based on fragmentary reports of the number of communes in various provinces and *hsien* dating from the fall and winter of 1959. The nationwide total of 24,000 rural communes was announced by the Rural Work Department of the Central Committee in August 1959 (*NCNA*-English, Peking, 28 August 1959).

[249] In this regard, it should be noted that the few model communes which were situated in areas where true agrarian modernization had clearly not occurred were likewise outsized. Cf. Chien-ming commune (Tsun-hua *hsien*, Hopei) with its 125 villages, described in detail from official sources by John W. Lewis, *Leadership in Communist China* (Ithaca, 1963), pp. 204–211.

[250] See Footnote 224 above.

[251] "Hold High the Red Flag of People's Communes and March On," official translation of the *JMJP* editorial in the issue of 3 Sept. 1958, as given in *PCC*, p. 18.

[252] Wu Chih-p'u, "Yu nung-yeh sheng-ch'an ho-tso-she tao jen-min kung-she" ("From Agricultural Producers' Cooperatives to People's Communes"), *Hung-ch'i*, No. 8 (16 Sept. 1958), trans. in *PCC*, p. 18.

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made in the press, and model communes with seven to twenty thousand households were cited with increasing frequency.

Before exploring the implications of these facts further, let me introduce the case of Hunan, the one province in the Eastern "core" for which relevant comprehensive data are available. In the preceding section, five zones of differential agrarian modernization (see Figure 9) were identified and described as of 1958. Table 9, in

TABLE 9 --AVERAGE SIZE OF RURAL PEOPLE'S COMMUNES BY ZONES OF AGRARIAN MODERNIZATION, RURAL HUNAN, 1959[1]

Zone[2]	No. of townships 1958	No. of communes 1959[3]	Ave. area township	Ave. area commune	Ave. pop. township	Ave. pop. commune	Township-to-commune ratio
A	273	76	44	158	14,168	50,894	3.6
B	718	242	54	160	13,325	39,535	3.0
C	869	336	64	166	12,508	32,351	2.6
D	919	365	82	205	8,729	21,920	2.5
E	394	202	70	137	6,619	12,911	2.0
Rural Hunan	3173	1221	66	171	11,010	28,613	2.6

Source: *Hu-nan sheng chih*, 1961.

[1] The area totals and the 1958 population totals for each zone, from which averages have been computed, are given in Table 7 above.

[2] The areas and populations of nine municipalities are not included in any zone or in the totals for rural Hunan.

[3] Includes 33 *chen* not incorporated into rural people's communes. Seventeen rural people's communes formed in the suburbs of municipalities are not included in the table.

which data for rural Hunan are arranged according to the same five zones, compares the number and average size of communes in each with the number and average size of townships just prior to communization. As summarized in the column at the far right, the Table shows an extremely peculiar relationship: the more populous the townships in an area, the *higher* the consolidation rate. In Zone E, where the average township had a population in 1958 of less than 7,000 (about 1,500 households), only two townships were normally combined to form one commune, whereas in Zone A, where the average township had a population over 14,000 (about 3,000 households), between three and four of them were combined to form the average commune.

What might account for this peculiar progression? It will be recalled that each step from Zone E to Zone A saw an appreciable increment in both the quantity and the quality of transportation facilities and also, in all probability, an increased degree of agrarian modernization in general. Given these differences among the zones, only one assumption is necessary to account for our findings: namely, that cadremen who took part in the decisions affecting the formation of particular communes were under pressure to make communes *as large as prevailing conditions allowed*. If for the moment we grant a situation in which the cadreman's rewards were proportionate to the size of the commune(s) formed in the area of his responsibility, then a relationship of the kind shown in Table 9 would result. For local officials could not afford to be entirely unrealistic: once the commune was formed, *they* had to live with it—to attempt administering it as the basic-level unit of government, to attempt the rational

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reorganization of production within it, and to develop central facilities serving the entire commune. In other words, the limits posed by the local level of economic development and above all by local transport facilities could not be simply disregarded by Communist cadremen on the scene. Those posted in areas which modern transport had scarcely penetrated and in which economic development was retarded (e.g., Hunan's Zone E) were constrained to settle, therefore, on a low rate of amalgamation, i.e., approximately two townships-*cum*-standard-marketing-areas per commune. At the other extreme, however, cadremen in areas well served by modern transport and comparatively advanced in agrarian development (e.g., Hunan's Zones A and B) were in a position to risk a high rate of amalgamation, i.e., three or four townships—many of which, moreover, corresponded to large modern trading areas —per commune. In either case, and at each level in between, the cadreman settled on the largest possible system size which he judged might conceivably be welded into a manageable unit.

Were cadremen indeed under pressure to strive for the largest possible commune size which had any chance of proving viable? The people's commune, Mao Tse-tung was reputed to have said,[253] is "distinguished by two main characteristics: its bigger size and more socialist nature." And the Chinese press, in the early fall when most communes were initially formed, treated the first as a virtual measure of the second. The lower-level agricultural producers' cooperative had been both larger and more socialistic than the mutual-aid team; the collective farm, four times larger than the lower-level producers' cooperative, had been correspondingly more advanced; and if the commune were made not ten times larger but thirty times larger than the collective farm, then its socialist character would thereby be enhanced threefold. "It can be seen," wrote Lin T'ieh, First Secretary of the Hopei Party committee, "taking Shangchuang People's Commune as an example, that the transition to communist society is not a thing too far distant."[254] From what can it be seen? From the fact—to put first things first, as Mr. Lin did—that Shangchuang commune had been formed of no less than forty collective farms with a total population of 56,000. "Doesn't the General Line state that we must exert our utmost?", asked Wu Chih-p'u in his influential *Hung-ch'i* article.[255] "A large people's commune with a vast membership, once mobilized, will bring its initiative into full play. . . . Doesn't the General Line call for greater, faster, better, and more economical results? To achieve greater and faster results requires huge manpower. . . ." In a somewhat more pointed passage (p. 32), Mr. Wu reformulated recent Party history in his province so as to associate timidity in regard to the size of collective units with "rightist opportunists" within the Party.

In short, it was implied to the cadreman on the front line that commune size would be taken as a measure of his success in having brought the local area for which he was responsible along the road toward communism. He was, moreover, to make his communes big or risk suspicion as a right-deviationist.

These pressures on the cadremen stemmed, of course, from the Party "leftists" who were firmly in control during 1958–59, and I should like to point to one possible reason

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[253] Wu Chih-p'u, p. 37.

[254] Lin T'ieh, "The People's Commune Movement in Hopei," *Hung-ch'i*, No. 9 (1 Oct. 1958), trans. in *PCC*, p. 56.

[255] Wu Chih-p'u, p. 35.

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for their policies in this regard. The entire radical program which comprised the Great Leap was sound only insofar as the nation had progressed toward ultimate communism. That is to say, insofar as the agrarian economy had really been modernized, insofar as the peasant had achieved a truly socialist "consciousness," insofar as he was genuinely ready to see the horizons of his collectivity extended, insofar as he had shrugged off traditional particularisms in favor of socialist universalism, he, the peasant, and the country as a whole were ready for the Great Leap in all its specific manifestations. Justification of the leftist program, vis-à-vis that of Party moderates, then, rested on a sanguine interpretation of current reality, and the leftist Party leader was correspondingly predisposed by the ideological struggle to an optimistic bias.[256] This optimism was not only epitomized but also, in the last analysis, validated by the measure of the Leap itself—the size of the collective unit.

Let me summarize at this point what I take the situation in the Eastern "core" provinces to have been in the fall of 1959 and my interpretation of how it got that way. It may be assumed, to begin with, that communes bore a relation to basic marketing systems only in the sense that the former exceeded the latter in size by a predictable ratio. This ratio, I argue after the Hunan case, was a function of the compromise which local cadremen were constrained to make between pressures from their superiors to maximize commune size, on the one hand, and the limitations imposed by local reality, on the other. That they were prepared to go as far as they did beyond the size of the natural marketing community must also have been rooted in a desire to escape the full force of local particularisms. Their superiors, I have suggested, entertained an overblown conception of optimal commune size for a number of reasons. It is possible, to begin with, that those responsible for the strategy of the communization movement came naturally by their exaggerated estimate of China's agrarian modernization, for most were officials in cities on the relatively modernized North China Plain. Moreover, their ideological conflict with proponents of less radical programs, one may conjecture, induced an unreasoning and defensive optimism concerning the country's progress toward a modern communist society, and encouraged an attempt to justify their policies by decreeing the *symptoms* of progress. Finally their ideological zeal enabled them to believe that traditional rural marketing would die a ready death in the Great Leap and that the demise of the old system would remove any remaining reasons for limiting the units of collectivization to the dimensions set by basic marketing communities.

As for the rest of agricultural China (see Table 8), average commune size was everywhere significantly smaller than in the Eastern "core." In general, these areas are both less densely populated and less modernized than are the "core" provinces in which very large communes had been formed. And these areas, too, are for the most part remote from the national capital and from Honan, whose provincial Party committee took the lead in the communization movement. Variations in average commune size from one part of agricultural China to another outside the Eastern "core" region are likewise not unrelated to differences in population density and relative modernization, but these factors alone leave unexplained the sharp differentials among the various provinces of southwestern China. The first Party resolution on communes indicates that each province-level unit was responsible for setting its own

[256] The mode of expression used here should not be taken to imply the existence of perduring, organized "leftist" and "moderate" factions within the Central Committee or other leadership organs.

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norms of commune size,[257] and one can only assume that peculiarities in the political composition of the various provincial committees help account for the contrast between Yunnan and Kwangsi—where communes on the average were formed to include several standard marketing areas—and their neighbors, Kweichow and Szechwan.

In any case, the figures for these last two provinces suggest that the communes established in them in 1958 conformed very closely to standard marketing communities. In the case of Kweichow, I have only the cited averages to go on, but for Szechwan there is much to confirm such a supposition. The province as defined in 1958 (less those *hsien* falling in non-agricultural China) had contained 4,586 townships as of 1948,[258] when there was very nearly a one-to-one correspondence between market towns and township seats. A total of approximately 4,750 communes in 1958 is, therefore, strong presumptive evidence that the communes formed in that province were, for the most part, a direct continuation of pre-Communist townships. Informants from the Chengtu Plain report that continuity in lower-level administrative units was unbroken from republican times right through the initial communization of 1958. Even Szechwan, however, was unable to avoid entirely a certain minimum of commune consolidation near its major cities during the nationwide adjustment of 1959.[259]

However one accounts for the policies of Communist planners in 1958–59 and for the practice of local cadremen, their creation, the rural people's commune, was something less than a smashing success. The whole burden of my analysis argues that the many and grave difficulties encountered by the communes during 1958–61 stemmed in significant part from the grotesquely large mold into which they had in most cases been forced, and in particular from the failure to align the new unit with the natural socioeconomic systems shaped by rural trade. As early as February 1959, a searching and critical assessment of one outsized commune pinpointed as serious problems the very difficulties which might, on the basis of this analysis, be expected to arise.[260] Humen commune, Tung-kuan *hsien*, Kwangtung, had been formed through the merger of no less than 82 collective farms; available details of its composition suggest that it included the greater part of at least five standard marketing areas. First and foremost of the major problems raised in the report concerned what the author, T'ao Chu, called "local particularism."[261] The problem was said to have been first exposed when the question of grain was examined.

The Li-wu production brigade, for instance, hid 17,000 catties of unhusked rice. According

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[257] "The size of communes . . . will be decided in accordance with local conditions by the various provinces, autonomous regions and municipalities . . ." *PCC*, p. 5.

[258] Data taken from Kuan Wei-lan. Eight *hsien* included in agricultural China which in 1948 were a part of Sikang province had by 1958 been incorporated into Szechwan.

[259] For instance, Hung-kuang commune, Pi *hsien*, on the Chengtu Plain northwest of the city, was reported to include 16,000 households as of August 1959. *JMJP*, 31 Aug. 1959. Reprinted in *Jen-min kung-she kuang-mang wan-chang* [*The Thousand-League "Leap" of the People's Commune*] (Peking, 1959), pp. 10–13.

[260] T'ao Chu, "Hu-men kung-she tiao-ch'a pao-kao" ["Report of an Investigation of Hu-men Commune"] *JMJP*, 25 Feb. 1959, trans. in *SCMP*, No. 1971 (12 March 1959), pp. 26–40. It goes without saying that in his report Mr. T'ao devotes as much space to the successes of Hu-men commune as to its shortcomings. My treatment here is not directed at a balanced assessment.

[261] *Pen-wei chu-i*, commonly rendered as "departmentalism," is more appropriately translated "localism" or "local particularism" when the units in question are territorially based.

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to them, the unhusked rice was hidden [so that] . . . the brigade could be assured of food in case the commune could not afford free meals . . . and could attain a position [from which] to surpass other brigades. Similar situations were also found in fiscal affairs. Preliminary investigations brought to light ¥12,000 in funds hidden or embezzled. Local particularism found its most striking expressions in the handling of non-staple foods. . . . For instance, some functionaries brought the commune's pigs to the mess halls, declaring they belonged to the mess halls. A similar situation was also found in connection with vegetables.

Mr. T'ao underlined the gravity of the problem by noting that if local particularism were not overcome, "there is a great danger of turning the commune into an empty shell." Among the causes of the problem as identified during the investigation was that leadership "failed to take into proper account the original differences among farming districts and among production brigades at the time of distribution."

It is made clear in the report that the production brigades of Hu-men commune were for the most part direct continuations of collective farms and corresponded to natural villages. But what is the referent of the mysterious expression "farming district"?[262] It is used throughout the report to refer to a natural territorial unit intermediate between the brigade-*cum*-village and the commune itself. The term recurs, for instance, in another relevant passage which treats problems of labor organization. A basic feature of the communes as formed in 1958 was a centralized system of labor allocation, which, in the case of Hu-men at least, worked out poorly. Labor resources were found to have been "shifted" frequently and on an "illogical" basis. Moreover, since

> the ideological level of the masses is still not very high . . . , labor power is wasted in some cases and the labor enthusiasm of some people is deficient. . . . How to define tasks and delegate responsibility between the commune and the farming districts and between the farming districts and production brigades while maintaining the full enthusiasm of each unit, is a question that must be resolved.

In this last passage, I take the author to be saying that centralized allocation of labor resulted on occasion in the assignment of a production team to work not only outside its members' native village but also beyond the limits of their effective larger community. One can imagine the resentment aroused by assignments to work in neighboring standard marketing areas, quite outside the arena of the peasant's social knowledge and community responsibility.[263] If by "farming district" the author is referring—with whatever degree of conscious awareness—to the standard marketing community, then he is saying in effect that the successful organization of at least one commune was thwarted by forces of local particularism operating at *two* levels, that of standard marketing communities as well as that of villages.

My interpretation of developments during the trying years, 1959–61, may be briefly stated. Intensified by the preoccupation with sheer survival, "local particularism" at first hampered, then frustrated, and finally defeated the efforts of Communist cadremen to organize collectivized units at a level above that of basic marketing

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[262] *Keng-tso ch'ü*, alternatively translated "cultivation areas."

[263] Cf. H. F. Schurmann, "Peking's Recognition of Crisis," *Problems of Communism*, X, No. 5 (Sept.-Oct. 1961), 9.

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systems.[264] By the winter of 1960–61, Communist planners and cadremen alike had gained new respect for the enduring significance of natural social systems, and were seeking ways to use traditional solidarities for their own organizational ends.[265]

The readjustments which occurred during 1961–63 within the rural communes are manifold. Scholarly analysis to date has been focused primarily on the internal reorganization whereby functions originally assumed by the commune as a whole devolved on component brigades and teams, and on redefinitions of the relationship between individuals and households, on the one hand, and team, brigade, and commune, on the other.[266] The impression has gained ground that the commune has indeed become an empty shell, as T'ao Chu warned it might.[267] This could well have been the outcome had rectification been limited to internal reorganization. It would have been entirely feasible, for instance, and quite compatible with the renewed emphasis on natural systems, to have converted the large communes of 1959 into purely administrative units and to have organized production within them at *three* levels—that of the team-*cum*-neighborhood, that of the brigade-*cum*-village, and that of a new intermediate unit established in correspondence with the standard marketing system. Already in 1959, T'ao Chu had recommended that his "farming district" be incorporated within the commune structure as a separate level for both management and accounting.[268]

In fact, however, it was not this course but its simpler, more direct alternative which was adopted as official policy. Communes were not left intact, nor were they stripped of all non-administrative functions.[269] Rather, they were *subdivided* in an at-

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[264] Cf. John W. Lewis, "Leadership Doctrine," p. 463. "When the mammoth commune emerged in 1958, it engendered widespread factionalism beyond the control of commune-rank cadres. The larger size made the commune leaders 'outsiders' and threatened village power while it intensified village rivalries."

[265] Just how far the authorities were prepared to go in using traditional forms of leadership is suggested by the widely publicized case of Lü Wan-liang, a cadreman in Liaoning. A native of Ssu-chia-tzu village, Lü had in 1961 been promoted to the post of vice-director of Ku-ch'eng-pao commune. In June 1962, he was returned by popular demand to lead the brigade which consisted of his native village. His transfer was permitted in order to curb the hostility and resistance to outside cadremen which had grown to alarming proportions during the preceding year. In justifying the transfer of veteran cadremen back to their native communities, the following points were made: Leaders native to the community are "familiar with local conditions pertaining to social relations and to geography . . ." They know not only "the condition of every plant in the locality" but also "the character and personality of everyone in the village." For, after all, "the local villagers are all either relatives or friends." These advantages are "not within the reach of cadremen from other places." See "Sheng-ch'an tui chih-ming yao-ch'iu lao chi-ts'eng kan-pu hui-hsiang kung-tso" ("Production Brigade Requests Transfer of Veteran Basic-level Cadres to Village for Work") *Liao-ning jih-pao*, 19 June 1962; reprinted in *JMJP*, 28 June 1962, trans. in *SCMP*, No. 2779, pp. 18–19. Cf. John W. Lewis, "Leadership Doctrine," pp. 457–58.

[266] Recent general studies include the following: E. Zürcher, "The Chinese Communes," *Bijdragen tot de Taal-, land-, en Volkenkunde*, CXVIII, 1 (1962), 68–90. Evan Luard, "The Chinese Communes," *Far Eastern Affairs*, No. 3 (1963), 59–79. Henry J. Lethbridge, *The Peasant and the Communes* (Hong Kong, 1963). Gargi Dutt, "Some Problems of China's Rural Communes," *China Quarterly*, No. 16 (Oct.-Dec. 1963), 112–136. Anna Louise Strong, *The Rise of the Chinese People's Communes—and Six Years After* (Peking, 1964).

[267] Cf. Cheng Chu-yüan, "The Changing Pattern of Rural Communes in Communist China," *Asian Survey*, I, No. 9 (Nov. 1961), 9: "The commune really lost its significance after the implementation of the three-level ownership system based on the brigade . . . At present its chief function is the exercise of the administrative powers of the former *hsiang* (townships)." "Yet, for the sake of political prestige, the government must retain the label of rural commune . . ."

[268] See Footnote 260, p. 36 of the translation.

[269] After the decentralization of agricultural production, the commune remained not only the basic unit of territorial administration, but also the primary unit in charge of construction projects, banking and financial activities, and internal security.

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tempt to relieve the problems of internal consolidation. The process of subdivision was well underway not later than April 1961, although without public notice.[270] Article 5 of the draft "Rules and Regulations" which were issued in May 1961,[271] sanctioned the readjustment of commune size in the following terms:

> The scale of the people's commune at the various levels should in every case be such as to benefit production, operation and management, and organizational life, and ought not to be excessively large. . . . In general, the people's commune should be equivalent in scale to the original *hsiang* or large *hsiang* . . .

That is, communes should be reduced in size to accord with the townships of 1958, which numbered, it will be recalled, 80,000 in all of China and which, I have argued, corresponded within agricultural China to natural marketing systems. Only in October 1963 was the outside world given any official indication of the extent to which commune size had been readjusted. In an article published in *Cuba Socialista,* China's Minister of Agriculture noted in passing: "There are now more than 74,000 people's communes in China."[272] On the average, then, communes had been reduced to a third of their 1959 size.

In retrospect it can be seen that the subdivision of communes into units approximating standard marketing systems (or, in modernized areas, intermediate trading systems) was closely associated with the rehabilitation of periodic marketing which, while begun in late 1959, got into full swing only during the winter of 1960-61. Once a given market was back in operation, the town in which it was situated was, in the typical case, made the nucleus of a new, smaller commune.

An instructive instance of subdivision is provided by Ta-pu *hsien,* situated in the mountains of northeastern Kwangtung and generally comparable to the *hsien* in Hunan's Zone E. Prior to communization, it boasted eight periodic markets, of which two were situated in intermediate market towns: Kao-p'i *chen* and the district seat itself, known colloquially as Pu-ch'eng *chen.* In 1958, the entire *hsien* was divided into only five communes. Three of them consisted essentially of two standard marketing systems each, while a fourth, that centered on the largest of the standard market towns, coincided with a single standard marketing system. The fifth and largest of the communes had its headquarters in Kao-p'i *chen;* it included villages whose standard markets lay outside the hsien to the south.

This arrangement of communes within the hsien, however, was almost as short-lived as the ban on periodic marketing. During the winter of 1960-61, the first subdivision occurred, and by the end of 1961 there were eight communes in the *hsien,* each centered on one of the eight market towns. Finally, the two largest communes, those administered from the intermediate market towns, were further subdivided, Pu-ch'eng *chen*'s into two and Kao-p'i *chen*'s into three smaller communes.

This last change points up an obvious caution in interpreting the national total of

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[270] References to commune subdivision are made in *Kung-tso t'ung-hsün,* No. 17 (25 April 1961), p. 3, and No. 18 (30 April 1961), p. 3. For a description of the nature of this confidential journal, see *China Quarterly,* No. 18 (April-June 1964), p. 67.

[271] "Nung-ts'un jen-min kung-she kung-tso t'iao-li ts'ao-an" ["Rules and Regulations for the Operation of Rural People's Communes (Draft)"], 12 May 1961 (unpublished).

[272] Liao Lu-yen, "Acerca de la colectivización de la agricultura en China," *Cuba Socialista* (Oct. 1963), p. 46. An English version of the article was published subsequently in *Peking Review,* No. 44 (1 Nov. 1963).

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74,000 communes.[273] In some areas, subdivision of the original large communes has proceeded beyond the point at which each commune supports a single market town, while elsewhere it has fallen short. In general, it is in sparsely settled, inaccessible, and relatively unmodernized areas where more than one commune has been formed in a single marketing area.[274] The reverse situation, by contrast, appears to have occurred only in areas where population is dense and agrarian modernization advanced.[275] Kwangtung as a whole must be counted among China's most modernized provinces, and there communes were on the average merely halved: the 803 people's communes of September 1958 had increased in number to approximately 1,600 by April 1963.[276]

It seems likely, however, that present imperfections in the alignment of communes with marketing systems are neither a matter of principle nor a consequence of deliberate policy. Current orthodoxy explicitly relates the units of collectivization to natural systems.[277] A British economist who visited several communes in 1963 learned from her Chinese hosts that "the system of teams, brigades and communes has been grafted on to the ancient roots of rural life."[278] Thus, with collectivization as with marketing, the Communists have been constrained to accept traditional structures as given, to build on their inert strength, and to work through them toward the institutions of a socialist society. If the traditional Chinese village is, in conse-

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[273] To my knowledge, the figure of 74,000 for the total number of rural communes has been repeated without change ever since its first publication. A recent repetition may be found in Hong Kong *TKP*, 17 Sept. 1964.

[274] According to Anna Louise Strong, "the tripling of communes by subdivision into smaller units . . . was . . . largely confined to mountainous areas with minority nationalities, where difficult communications and different languages made smaller commune-townships better." Miss Strong also notes that she was told in Canton that Kwangsi—a relatively underdeveloped province and the only one in agricultural China in which non-Han peoples outnumber the Chinese—has "nearly 10,000" communes. "Some Comments on the Chinese People's Communes," *Letter from China*, No. 16. Reprinted in *Peking Review*, No. 24 (12 June 1964), p. 20.

[275] It is unlikely, however, that any part of the Eastern "core" escaped commune subdivision altogether. A reference in *Kung-tso t'ung-hsün*, No. 18 (30 April 1961), p. 3, makes it clear that subdivision of communes was underway in Liaoning. A Nationalist intelligence report of 1962 included an incomplete list of communes in Kwangtung province which totaled 235 more than the full number of communes in 1958. China, Kuo-fang pu, Ch'ing-pao chü, *Wei Kuang-tung sheng ti-ch'ü ch'ing-kuang tiao-ch'a chuan-chi* (Taipei, 1962), pp. 109–131. Thus, in two highly modernized but widely dispersed provinces of the Eastern "core," commune subdivision took place at the same time it is known to have occurred in peripheral areas.

[276] The 1958 figure is given in *T'ung-chi kung-tso*, No. 20 (1958), p. 23. The recent figure is cited in *Nan-fang jih-pao*, 12 April 1963. It appears that Anna Louise Strong was misinformed in 1964 when she was told in Canton that "in Kwangtung province, the number and size of communes had barely changed . . ." "Some Comments," p. 20.

[277] In recent years, communes equivalent to the standard marketing community have been held up as models. Take the case, for instance, of Hsiao-p'ing-i commune, Shuo *hsien*, Shansi. It includes 20 natural villages with a population of 12,000, organized into 18 production brigades and 92 production teams. Wu Hsiang, Chang Ch'ang-chen, and Yao Wen-chin, ("A Visit to the Hsiaopingyi Commune at Harvest Time") *Hung-ch'i*, No. 19 (1 Oct. 1963), trans. in *Selections from China Mainland Magazines*, No. 387 (22 Oct. 1963). It is also significant that the official *Peking Review* recently carried an article by Anna Louise Strong which notes that decentralization within the commune "concentrates responsibility for production and distribution in one place, the original natural village, the oldest, most stable unit in the countryside where everybody knows everybody else." "Some Comments," p. 20. In this article and consistently in her other writings, Miss Strong considers the natural village to be aligned with the production team rather than with the production brigade. With more than five million teams in China, the equation is manifestly impossible as a general proposition. The figure for the number of teams is cited in "I-nien-lai kung-fei ti nung-yeh ["Agriculture in Communist China during the Past Year"] *Fei ch'ing yen-chiu*, VI, No. 20 (31 Dec. 1963), 128.

[278] Joan Robinson, "A British Economist on Chinese Communes," *Eastern Horizon*, III (May 1964), 7.

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quence, being brought relatively intact into the modern world in the form of the production brigade,[270] the standard marketing community manifests continuities of a more complex kind. For, as I have argued in this paper, while traditional marketing communities have given shape to the Communists' chosen instrument for rural transformation, that transformation inevitably and quite literally reshapes them in turn.

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[270] It should be noted in this regard that brigades comprising more than one village were also subdivided during 1961–63. A Nationalist source asserts that the total number of brigades increased from 500,000 to more than 700,000. "I-nien-lai kung-fei ti nung-ych," *Fei ch'ing yen-chiu*, VI, No. 20, 128.

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