

Abstract of thesis entitled

Urban Development in Modern China, 1937-1976: A Case Study of Baoji City,

Shaanxi Province

Submitted by

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Baoji 宝鸡 city is a medium-sized city in the People's Republic of China (PRC), but the second largest city in Shaanxi province. Its quick urbanization and industrialization were initiated from the latter of the 1930s by the Guomindang (GMD 国民党) government's wartime policy during the Chinese Anti-Japanese War (1937-45). After the fall of the GMD regime and the establishment of the PRC under the Chinese Communist Party (CCP 中国共产党), these processes were accelerated by the implementation of an ambitious industrialization plan based on the Soviet model of a planned and centralized economy during 1949-76. By examining historically four aspects of both governments' industrialization strategies, that is, the industrial and regional policies, the method of industrial method, and the pattern of economic management, it is clear that due to the threats to national security (the war in 1937-45, and the Cold War after 1949) both regimes promoted the rapid growth of defense and heavy industries in the interior. In the case of Baoji city, local sources show that strategic concerns were the main impetus for the city's rapid industrialization. Furthermore, the industrial relocation during 1937-45 by the GMD or the socialist methods of industrialization of the CCP after 1949, both triggered large-scale migrations of skilled labor from eastern coastal cities to inland cities and towns from 1937 to 1976.

After 1949, however, the CCP government's economic and industrial policies based on the centralized control of the means of the production and elimination of the private sector, as well as the social aim of creating a "classless society" instead

created a horizontal social stratification based on the work unit system. In Baoji city, this stratification revealed that the skilled labor that migrated into the city under government aegis had superior status. Examining how Baoji was industrialized and urbanized in this period may contribute to comparative studies of urban development in China.

(319 words)

**Urban Development in Modern China, 1937-1976:
A Case Study of Baoji City, Shaanxi Province**

By

Yao Yu

**A thesis submitted in partial fulfillment of the requirements for
the Degree of Doctor of Philosophy
at the University of Hong Kong**

February 2005

Declaration

I declare that this thesis presents my own work, except where due acknowledgement is made, and that it has not been previously included in a thesis, dissertation or report submitted to this University or to any other institution for a degree, diploma, or other qualification.



Yao Yu
February 2005

Acknowledgement

Without many persons' assistances, it would have been impossible for me to finish my thesis.

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Introduction

Purpose of this study

Just a few months before I proposed the urban development of a medium-sized city of western China as the field of study for the doctoral thesis at the University of Hong Kong at the end of 1999, the Chinese Communist Party (the CCP 中国共产党) government launched “the western development 西部大开发” economic program¹. This program was a reminder of the slow industrialization and urban development of western China even after great efforts by the government to change the situation. Hitherto, the scholarly literature of urban studies mainly concentrated on large Chinese cities – especially those in eastern China such as Beijing 北京, Shanghai 上海, Tianjin 天津, and Guangzhou 广州, with little attention on the medium and small-sized cities, the dominant form of urbanization in western China. Therefore, a special case study on medium-sized cities in western China before 1976 could contribute to a better understanding of the regional policy of the CCP government and urban development in the People’s Republic of China (the PRC, 中华人民共和国).

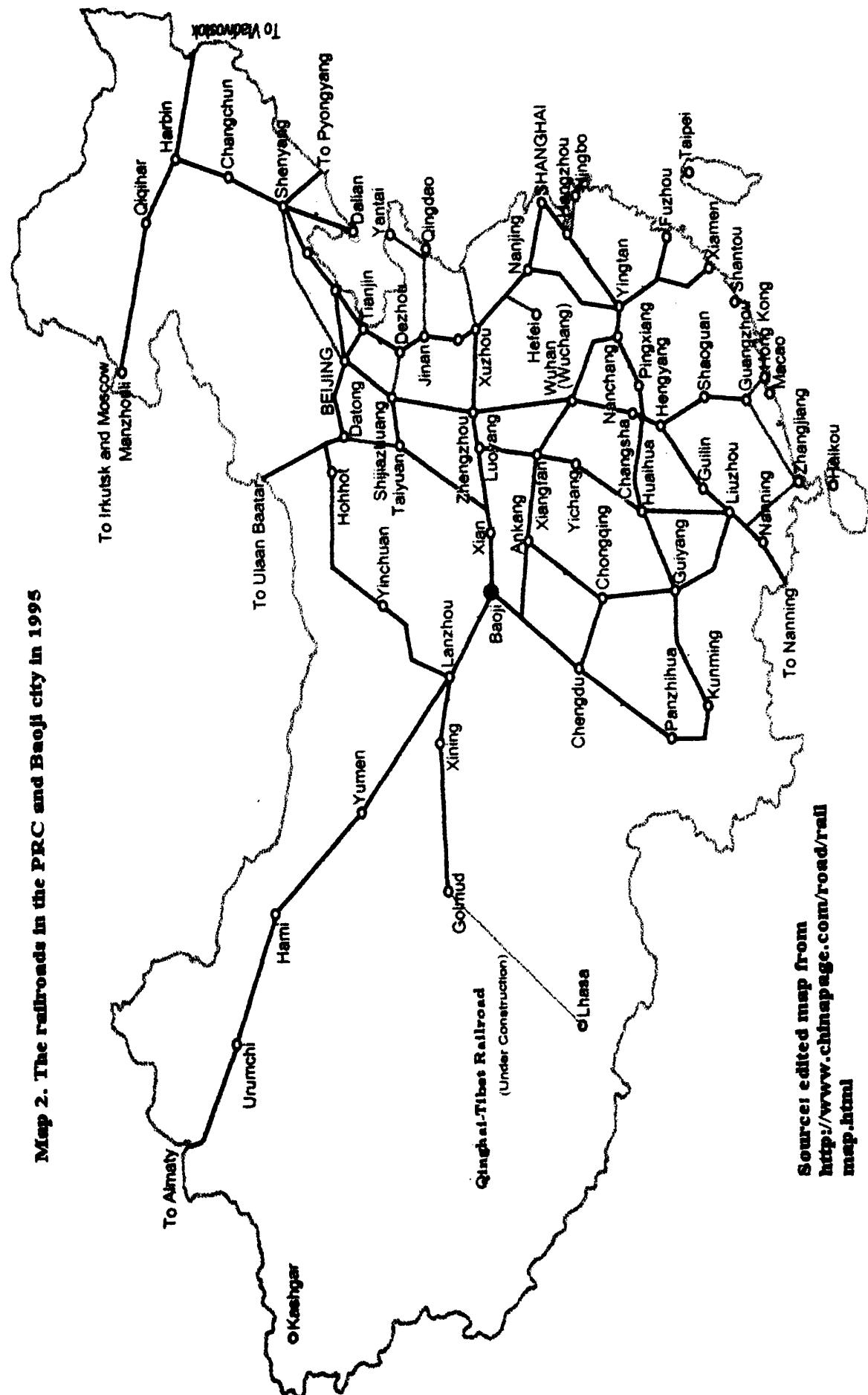
However, I chose this topic also for personal reasons. Baoji 宝鸡 city in Shaanxi 陕西 province is my hometown where I was born and lived for almost twenty years. I found since my childhood that many social differences existed in the so called “socialist” circumstances that I lived, and some of them still exist now, or are even enlarged, along with the emergence of new social inequalities. As my study progressed, I realized that this phenomenon had strong connections with the policies of the CCP government.

For these reasons, I have three aims in this thesis: to describe and analyze the development strategy of the Chinese government in different phases and its influence on western China; to describe urban development, especially the urban industry of Baoji city in different phases; and finally to analyze its social structure during these different phases.



Source: http://www.lib.utexas.edu/maps/middle_east_and_asia/china_admin_91.jpg

Map 2. The railroads in the PRC and Baotou city in 1995

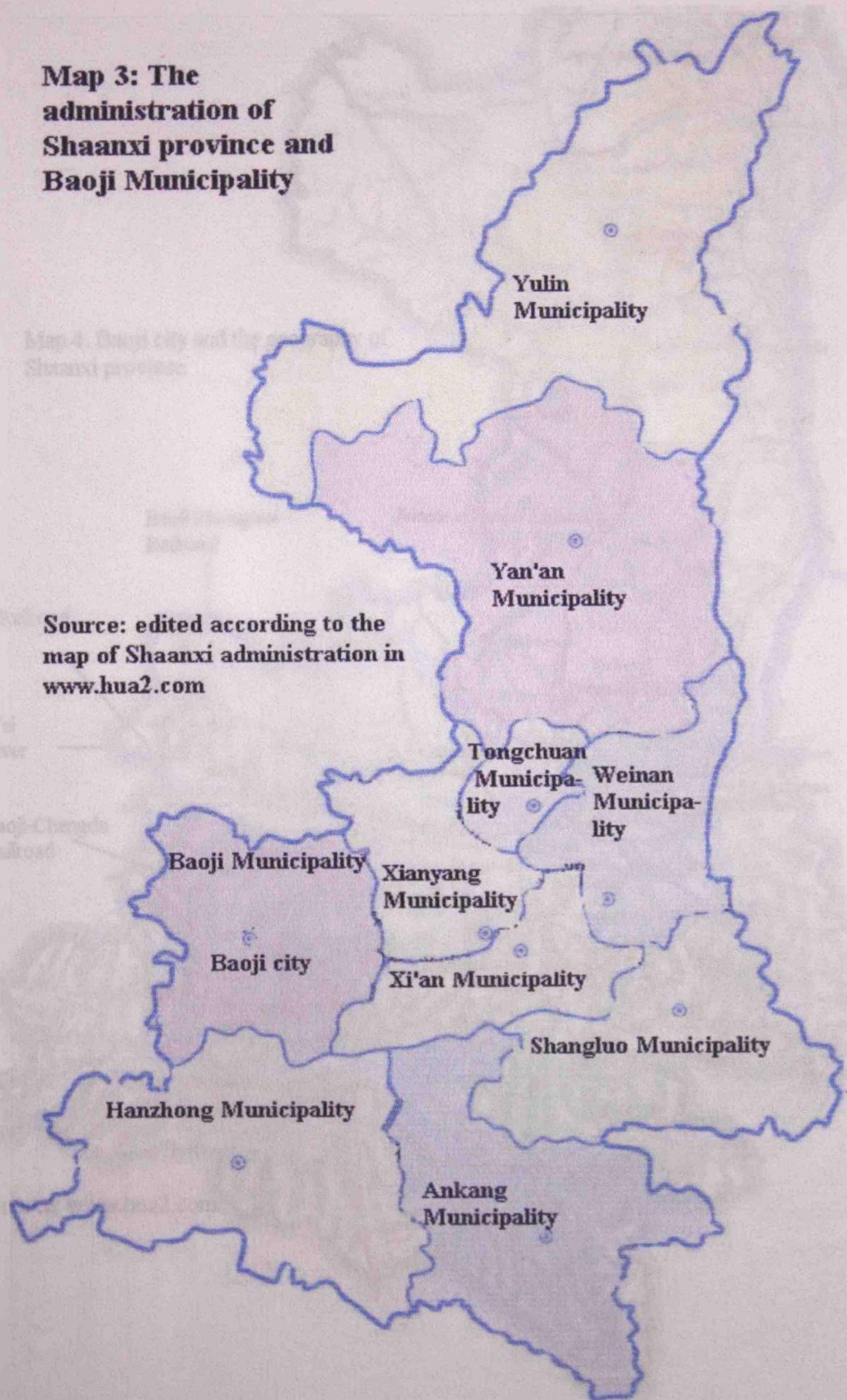


Source: edited map from
<http://www.chinapage.com/road/railmap.html>

Map 3: The administration of Shaanxi province and Baoji Municipality

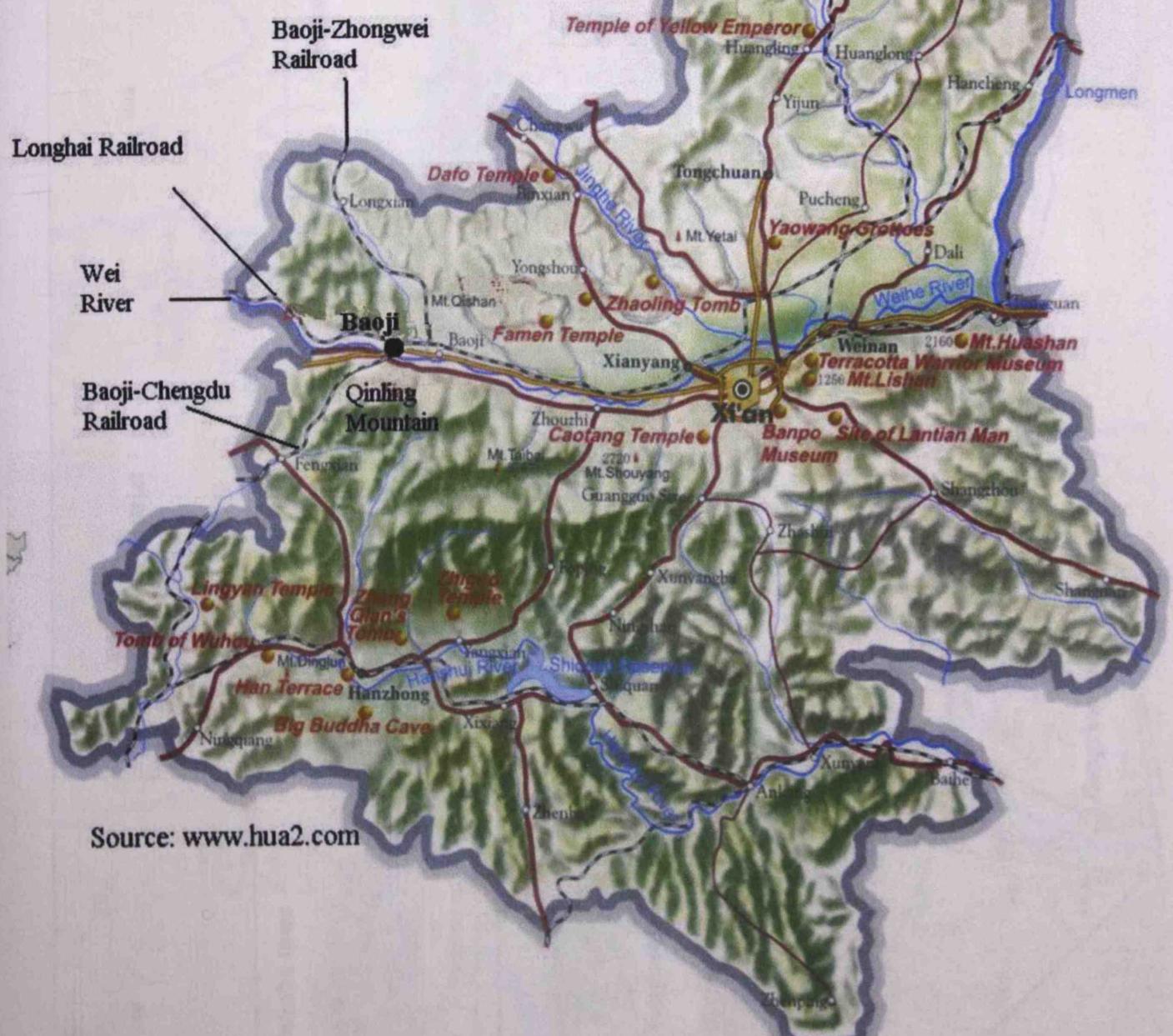
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Source: edited according to the map of Shaanxi administration in www.hua2.com

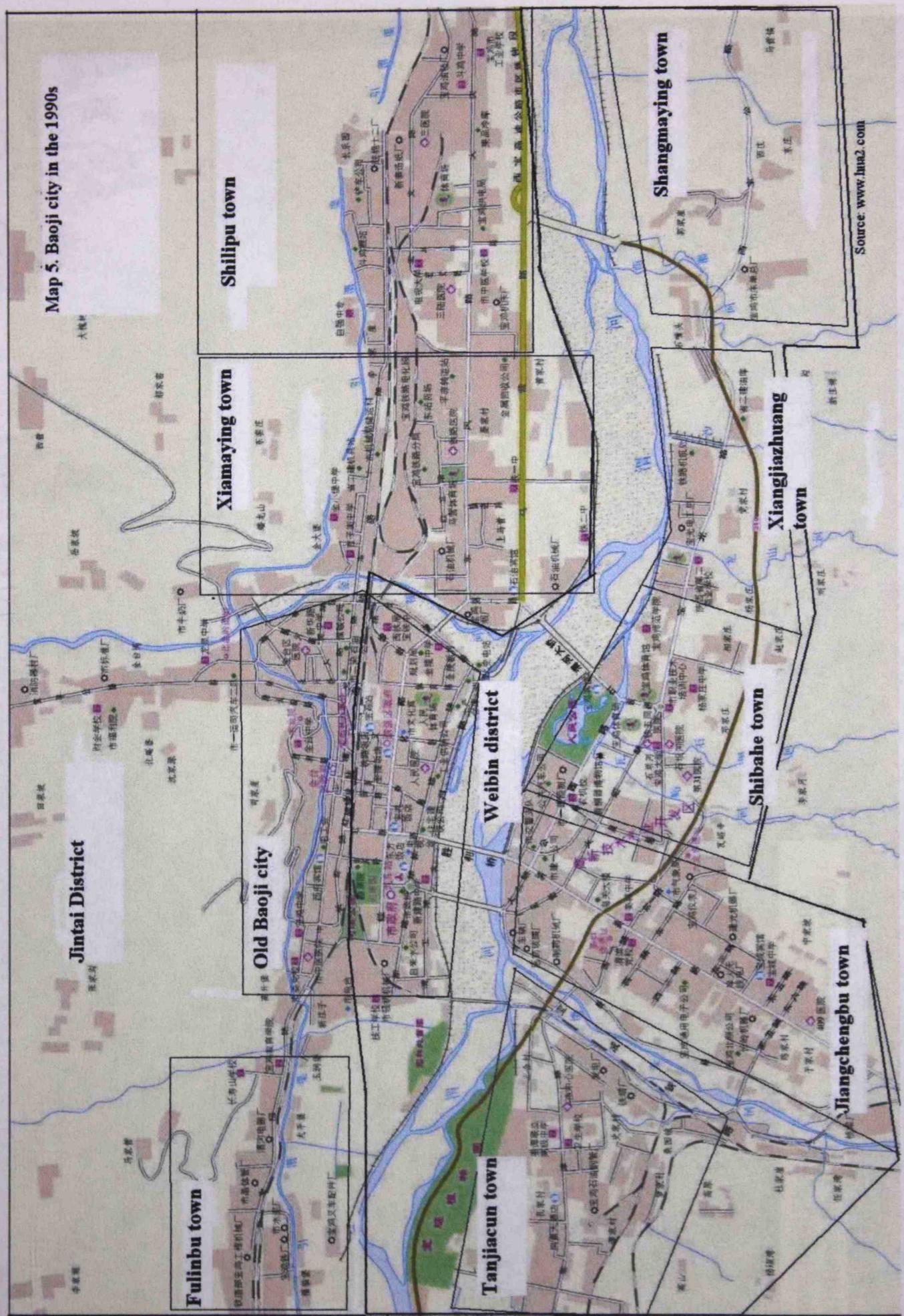




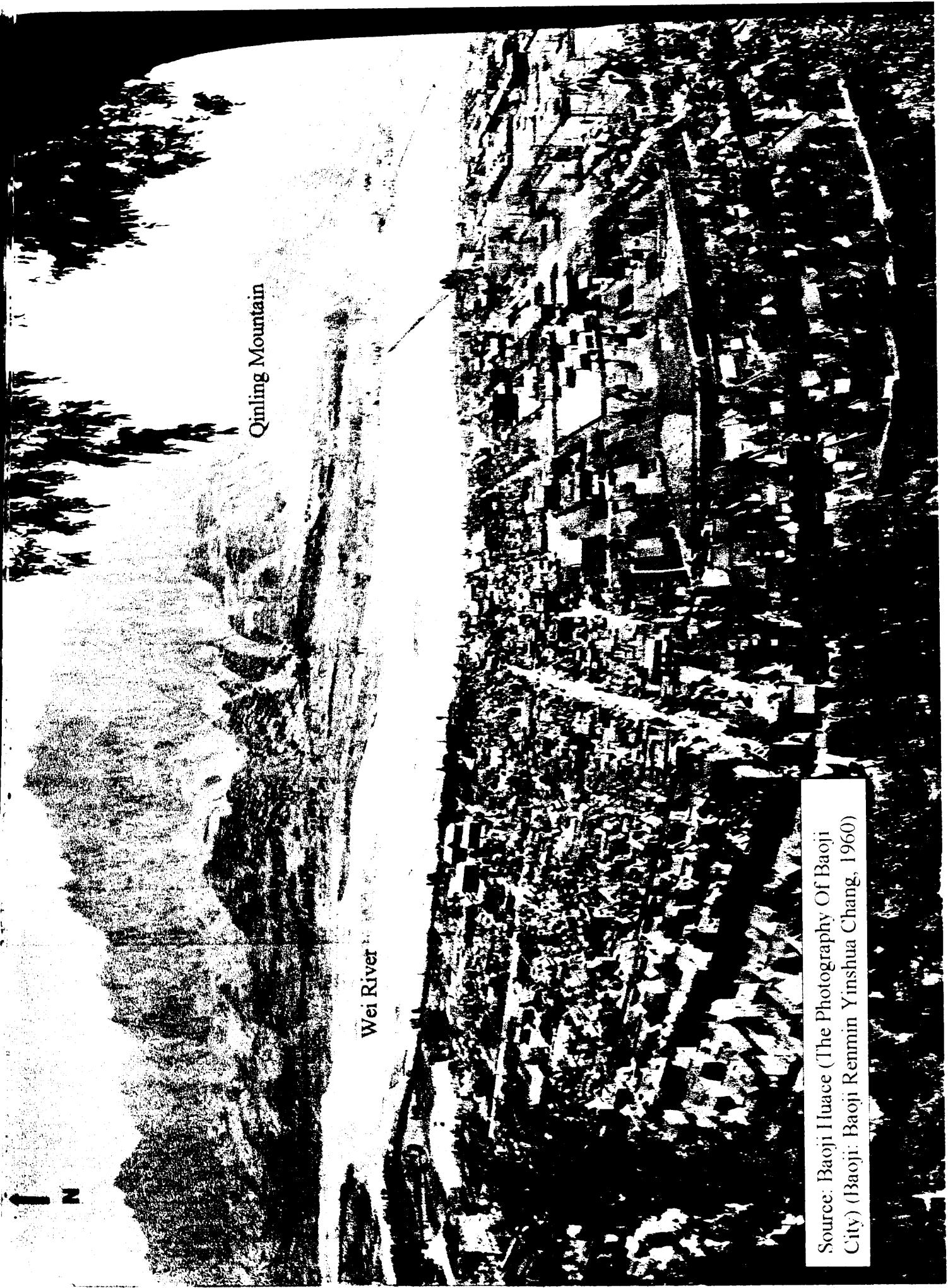
Map 4. Baoji city and the geography of Shaanxi province



Source: www.hua2.com



Source: www.hua2.com



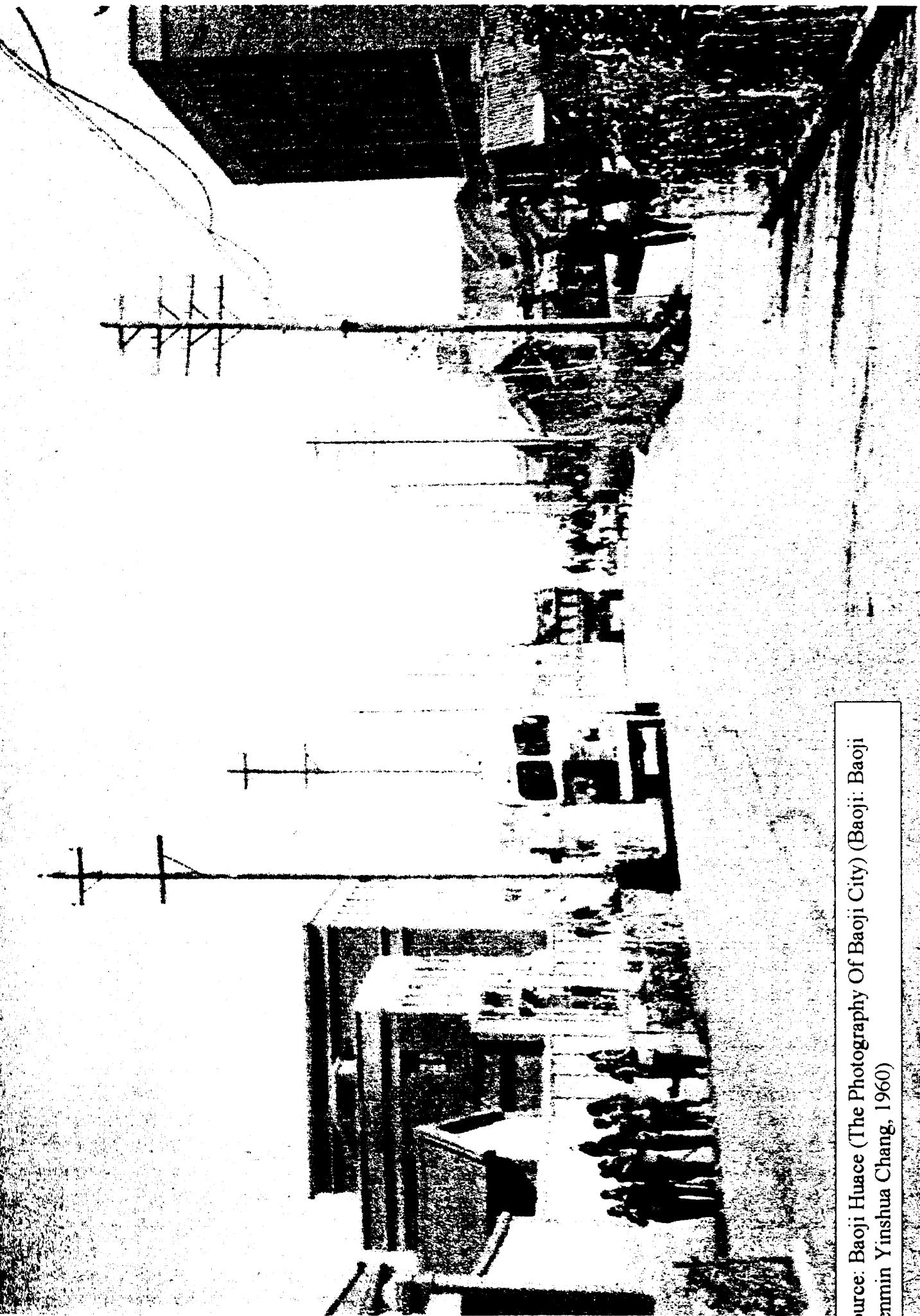
Source: Baoji Huace (The Photography Of Baoji City) (Baoji: Baoji Renmin Yinshua Chang, 1960)

Picture 2. Baotou city in 1998



Source: Baoji Difangzhi Bianzuan Weiyanhui (ed.), *Baojishi Zhi* (Historical Records of Baoji Municipality) (Xi'an: Sanqin Chubanshe, 1998)

Picture 3. The center of Baoji City. Jing erfa street in Baoji city.



Source: Baoji Huace (The Photography Of Baoji City) (Baoji: Baoji Zemin Yinshua Chang, 1960)

Picture 4. The Center of Baaji city: Jing Liu Street in 1958



Source: Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), Baojishi Zhi
(Historical Records of Baoji Municipality) (Xi'an: Sanqin Chubanshe, 1998)

Why choose Baoji city: an introduction to Baoji city

Baoji city is located in the western tip of the Guanzhong Plateau 关中平原 of middle Shaanxi in northwestern China, between the Loess Plateau 黄土高原 in north and the Qinling Mountain 秦岭 in south, with Wei River 渭河 passing through it (see Map 4, Picture 1, 2). It is between 106°55'58" and 107°17'16" east longitude, and between 34°7'18" and 34°25'33" north latitude. As the capital of Baoji Municipality, Baoji city now is classified as a medium-sized city in China, but is the second largest city in Shaanxi province with 555 square kilometer urban area and 452,286 urban residents in 1990. 80% of the urban areas of Baoji city are composed of mountains in the south and low hills in the north. Baoji city has the climate of continental monsoon with the 69.66 mm waterfall per year, and faced frequent drought, flood, and frost.²

There are several reasons why Baoji city could represent medium-size cities in western China. Like other medium-sized cities in western China, Baoji city has a long, but not prominent history before the modern era. Baoji city was established in about 737 BC in the Spring and Autumn 春秋 period (770 BC - 475 BC) and had been called Chencang 陈仓 until the Tang 唐 Dynasty. As the capital of Chencang (Baoji) County (xian 县) since the Qin 秦 Dynasty (221 BC - 206 BC),³ Baoji city remained an ordinary city of Baoji County and under the administrative control of the Prefectural Government in western Guanzhong Plateau until the end of 1936, when Baoji became the west terminus of the Longhai Railroad 陇海铁路. This was rather common in western China that railroad construction was the fundamental force for the urban development of medium and small-sized cities and towns.

The development of Baoji city followed a pattern similar to many other medium-sized cities in western China in the modern era. The period of the Chinese Anti-Japanese War 中国抗日战争 during 1937-45 was the first rapid development phase of Baoji city, when a large number of modern industrial plants in eastern China were evacuated and many refugees fled into these medium-sized cities because of the destruction brought by war. During this period, modern industry and plants emerged in Baoji for the first time and the urban population grew dramatically.⁴ The second

phase included the periods of the 1950s and 1965-1976 (the construction of “third front”) when the industrialization strategy of the CCP government initiated further development of Baoji city and other cities in the inland provinces, such as the cities in Shaanxi and Gansu provinces.⁵

As far as the composition of urban residents is concerned, the situation in Baoji was also typical of medium-sized cities in western China. Generally, because of their humble status in history, these medium-sized cities often had a small urban population at the beginning of the modern era. Against this backdrop, the main part of the urban population in cities as Baoji, Xianyang, Tongchuan 铜川, Xi'an 西安 in Shaanxi province, and Tianshui 天水, Lanzhou 兰州 in Gansu province, were composed of in-migrants and their descendants. Before 1949, the in-migrants of these cities were mainly refugees from the provinces of Henan 河南, Shandong 山东, Jiangsu 江苏 that were hit heavily during the Chinese Anti-Japanese War from 1937-45.⁶ After 1949, with the relocation of many industrial plants from eastern China to these cities and the establishment of new projects in these cities, huge numbers of skilled laborers and their families, voluntarily or not, migrated from eastern China to these cities.⁷ In contrast, only small numbers of the rural population legitimately became urban residents of these cities by getting employment in urban factories, entering the higher educational institutions and armies and then being assigned urban jobs.

All in all, these characteristics of Baoji city make it an ideal object of study.

Literature review

This thesis deals mainly with three areas: the government’s economic strategy, the urban (economic) development, and the urban society in Baoji city. Correspondingly, I reviewed related literature in only two fields: the policies of the CCP on economic development, and the social structure of urban society in the PRC during 1949-76.

A. The CCP’s economic strategy during 1949-1976:

The most important policies of the CCP government related to urban

development were its policies of industrialization. I have divided the industrialization strategy of the CCP government into two parts. The first part includes the industrial and regional policy, and the second part is the means the CCP government used to realize these two policies: the way of industrial expansion, and economic administration.

As far as industrial policies are concerned, most analysts agreed that the CCP applied an unbalanced industrial development policy during the First Five-Year Plan (FFYP, 第一个五年计划) from 1953 to 1957 to favor the development of heavy and defense industries. Alexander Eckstein regarded this unbalanced industrial policy as the means by which the CCP government tried to solve the dilemma of Chinese industrialization: the relative “scarcity” of important economic resources (such as capital, skilled labor, equipment, etc.) that was caused by the CCP’s overly ambitious industrialization plan and insufficient capacity to produce needed resources in China. To solve this problem, by the establishment of a centrally planned economic arrangement, the CCP government deliberately implemented economic policies to favor what they regarded as the more important economic sectors and industries.⁸ However, controversy hovered over the question whether this industrial policy of the FFYP still continued into the decades after 1957. People like Alexander Eckstein, Victor Lippit, Stephen Andors, etc., have argued that during the 1960s and 1970s the CCP government gave priority to agriculture, and shifted its industrial centers from capital-intensive heavy industry to the labor-intensive “five small industries 五小工业”, the small chemical and farm equipment industries for agriculture, and light industry.⁹ However, according to the study of Kjeld Bradsgaard on the economic policy of the Cultural Revolution, and the studies of Barry Naughton and Evan Feigenbaum on the military industry from the 1960s to 1970s, the modern defense and heavy industries never changed their importance in the economic planning of the CCP government.¹⁰ The historical records and materials about Baoji city even revealed that during the hardest time of the economic crisis in 1960-63, defense and heavy industries were still central parts of the industrial policy of the government.

The studies on regional and urban policies of the CCP government during

1949-76 were controversial. From the view of policy design, studies before 1980 indicated that the CCP government implemented regional and urban policies to favor medium and small-sized cities, rural areas and the interior of China due to its leaders' rural revolutionary experience,¹¹ the communist and Confucian ideologies,¹² and the consideration of spatial equality in national industrial development.¹³ But this view and conclusion became problematic when new data was released after 1980 that proved the stable leading positions of the coastal regions and big cities (most of them located in coastal regions) despite dozens of years since the establishment of the PRC. Ip, Wu and Sit still supported the old view, arguing that the coastal/inland gap was not reduced, but did not expand too much when compared to the situation before 1949.¹⁴ However, Richard J. R. Kirby held a totally opposite view. He argued that the CCP government always kept the higher status of the big cities during China's industrialization because the government from the view of economic rationality managed to exploit the important resources in these big cities. Kirby also rejected the rural orientation of the CCP leaders because he found that many top CCP cadres had urban origins or urban educational experiences.¹⁵ Benjamin Ward and Thomas Lyons both emphasized the role of the structural element – the economic localism that emerged after 1949 – in the regional development of the PRC, but with quite different conclusions. Lyons argued that the economic segmentation and localism formed after the 1950s resulted in this stable, leading position of the coastal regions, but Ward maintained that this localism favored the development of the under-developed inland provinces.¹⁶

However, because all these views were not based on the detailed and historical studies, it was Chao Kang and Barry Naughton who made further deeper and more instructive studies on the real content and evolution of the CCP's regional and urban polices during the 1950s and in the later 1960s and early 1970s.¹⁷ Chao and Naughton showed that national security played the important – if not decisive – role in the designation of the CCP's regional policy, and the regional policy of the CCP government during 1949-76 indeed leaned toward the interior during these two periods. Sources found in Baoji city also support this viewpoint. But these sources

and other Chinese sources also revealed that some government policies, such as “self-sufficiency” and ‘self-reliance’, the decentralization, the economic localism, etc., contributed to the stable superior position of the coastal regions in China’s economy at the same time.

The above two points are also connected to another question: how the CCP government realized its industrial and regional policies? This question could be further divided into two sub-topics: the method of industrial expansion and the economic management of the CCP government. As to the method of industrial expansion, the sources of Baoji city proved that serious misunderstandings persisted. Chao Kang, Victor Lippit, and especially Shen Zhihua mentioned the importance of the Soviet support to the PRC in technology, technical specialists and equipment as the basis for industrial expansion in the FFYP, but were concerned little with the role of the resources that the CCP government inherited from the Guomindang government in China’s industrial expansion after 1949.¹⁸ As for the situation after the FFYP, Alexander Eckstein, Audrey Donnithorne and Stephen Andors argued that after 1957 when small labor-intensive industries with native technology and equipment became the mainstream of industrial development, the CCP government promoted “self-reliance” and “self-sufficiency” as the dominant methods of industrial expansion.¹⁹ However, Evan Feigenbaum showed in his study on the development of strategic weapons that other methods of industrial expansion existed during the Maoist era. The first one was the indigenization of foreign advanced technologies, equipment and materials in defense industry, especially the strategic weapons, and the second one was that advanced military industries diffused their technology, equipment, standards and criteria, etc., to support the development of other industries.²⁰ Paralleling this study of the defense industry, newly released Chinese sources indicated that besides the support of the USSR in the 1950s, the dominant method of industrial expansion for the establishment of all kinds (large, medium, or small-sized) of industrial plants during 1949-76 was “old plants supporting new plants”: that is, the existing plants used their resources to establish new plants under the arrangement of the government.²¹ Thus, in the China’s industrial development, we should pay more

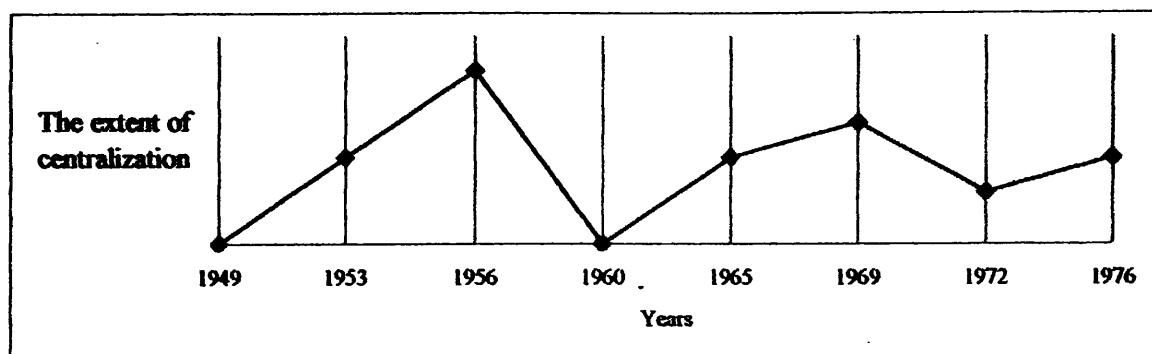
attention to the roles of the old industrial plants and handicraft cooperatives that the PRC inherited from the GMD regime, and the collective enterprises (handicraft cooperatives, street industry 街道工厂, and so on) established by municipal and district governments after 1949 in the industrial expansion.

With respect to the economic management, I would rather regard the economical administrative system of the CCP government as one important means that the CCP government used when implementing its economic strategy. Franz Schurmann in his classical analysis historically and dynamically examined that, when the CCP copied the Soviet model of the centralized administrative system, how the inherited dilemmas of this Soviet model between its functions and operations interacted with the particular ideology of the CCP towards these dilemmas in the FFYP, and how this interaction led to the decentralization of the Chinese administrative system after 1958.²² However, thereafter, scholars like Thomas Rawski, Elizabeth Freund, Robert Dernberger, etc., revised Schurmann's thesis, and treated the Chinese administrative system during 1949-76 differently to the systems of Soviet and other socialist countries of Eastern Europe. In their eyes, the Chinese administrative system after 1960 was a decentralized one quite different from the Soviet's.²³ Dorothy Solinger and Peter Lee held a dynamic view towards the CCP's market policy and economic management, but connected it with the different economic views among the CCP leaders and the political struggles among these leaders.²⁴

What was more instructive and helpful was Audrey Donnithorne's classical analysis on the organization and restructure of China's economic system by the CCP from the 1950s to the 1960s, in which Donnithorne showed us that this administrative system was dynamic and changeable in adapting to the CCP's new strategy.²⁵ This view was supported by Alexander Eckstein in his analysis of the Chinese command economy, seeing the Chinese administrative system as one attempt of the CCP government to solve the relative scarcity of economic resources caused by its own ambitious industrialization plan.²⁶ This point was proved by the case study of Feigenbaum on the China's strategic weapons. Feigenbaum found that the Chinese administrative organizations were flexible and evolved for the special needs of the

research and production of strategic weapons.²⁷ Some Chinese literature on the China's management system of material circulation and local sources about the defense industry in Shaanxi province directly show us that the several structural changes in the administrative system during 1949-76 were strongly connected with changes in the industrialization strategy of the CCP government, and were not propelled only by inner dilemmas and problems.²⁸

Chart 1. The trend of administrative structure of the PRC during 1949-76



B. Urban development of the PRC

With respect to the studies on urban development of the PRC, I will concentrate only on the urban economy and urban labor (labor migration and policy) as it related to the government's strategy and the urban society.

1. The urban economy

As far as the urban economy is concerned, many scholars have concentrated on the differences between economic organizations in the Chinese command economy. Bian Yanjie found that among all kinds of enterprises, there had been inequalities in material and equipment supply, capital investment, labor training, wage and social welfare for workers, etc., and because of these inequalities a work unit 工作单位 (单位) hierarchy in economic system was formed.¹ According to Bian, these inequalities among the enterprises resulted directly from the government's biased industrial policy

¹ The "work unit" in China first meant the organizations that paid employees to sustain their lives, and generally included enterprises, governmental organs, and non-productive institutes. In fact, the work unit offered not only the wages for its employees, but also took care almost all aspects of the employees and their families, such as accommodation, education, entertainment, and social welfare. This basic role of the work unit to Chinese urban employees and their families made it became an organizational identity and the symbol of social status in urban China.

and the characteristic of the command economy that almost everything that enterprises needed for production was allocated by the state.²⁹ Finding it impossible to satisfy all needs of the different economic sectors and organizations due to the backward economic capacity and limited administrative capacity, the CCP government only guaranteed the needs of those industries and organizations regarded as “important”.

Just as Bian argued, some differences were formed along the contrasts between industry/urban and agriculture/rural areas, and between heavy industry and light industry, in order to facilitate the government’s extraction of surplus and resources from agriculture and light industry for use in heavy industry.³⁰ But Bian’s assumption that the different types of ownership (the state-owned, collective and private) and administrative jurisdiction (managed by the different levels governments) of work units were also the basis for the above differences, was problematic when viewed in the light of Chinese sources on the national logistics and local sources about Baoji city.³¹ The sources I read argued that many productive enterprises with jointly-managed 公私合营 ownership and lower administrative jurisdiction (managed by the provincial and municipal governments) still enjoyed the same treatment as those with public ownership and higher administrative ranks. This situation was very clear especially after the administrative decentralization of the Great Leap Forward 大跃进 (the GLF) and in the 1970s, when many large and medium-sized enterprises were devolved from the central ministries to the provincial and municipal governments but without any changes in their material and equipment supply, capital investment, labor use, and so on. The mistake of Bian and other scholars with the same attitude was that they erroneously assumed that the level of importance of enterprises was directly determined by their ownership and administrative jurisdictions. This thesis will prove that the status of one enterprise in this work unit hierarchy was directly decided by its “production nature 生产性质” and “production importance 生产重要性” in national production, not by its ownership or administrative jurisdiction.

Another important controversial topic concerned with the urban economy was

the verticalization of industrial production based on regions and provinces, which was often named as the “economic localism” and decided the orientation of industrial development in Baoji city. Audrey Donnithorne and Stephen Andors maintained this “economic localism” was the result of Mao’s “self-reliance” and “self-sufficiency” policy and the subsequent administrative decentralization. They and Benjamin Ward praised this localism because it improved the weak economic co-ordination between enterprises in the same place or area formed by the centralized and vertical-rule industrial management during the FFYP.³² However, explaining this localism as being rooted in the structural and operational problems caused by the division of planned and unplanned economic parts managed by the central and local governments respectively, Lyons gave a negative assessment of this economic localism from the view of the efficiency and integration of the national economy.³³ Another difference between Donnithorne and Lyons’ analyses was that Donnithorne pointed out that this economic localism never happened in the military industry, while Lyons did not specify the range of this economic segmentation.

The local sources of Baoji city offer us an opportunity to re-examine this topic. Local sources support the idea of Donnithorne and Andors that the CCP government deliberately pushed forward economic localism in the 1960s and 1970s for reasons of national security. But Lyons’ attitude was also reasonable, because the development of this localism was also indeed strongly influenced by the inherited administrative problems of the CCP government. Furthermore, the military industry – especially the production of normal armament – was to a certain extent localized. All relevant sources indicate the importance of the national security in the policy-making of the CCP government, and any analysis neglecting this would lead to misunderstandings of the historical process.

2. Labor migration and management

One important topic of urban study was the relationship between the industrialization and labor migration. Previous studies on the labor migration in the PRC focused on the governmental controls on labor migration from rural to urban

areas before the 1980s done to lessen the consumptive burden on the urban economy and the administrative stress on the government.³⁴ However, many Chinese sources, especially local sources, indicated that during 1949-76 the CCP government in fact initiated the large-scale migration of skilled labor from coastal cities to the interior to fulfill its industrial and regional policies.³⁵ But almost no scholars have done special studies on this migration of skilled labor between coastal and inland cities. Previous studies on economic localism with different assessments all agreed that economic segmentation based on the provinces had impeded inter-regional and provincial labor migration.³⁶ However, Zheng Zizhen found something different and important in a general study on the inter-regional population migration in the PRC before the 1980s. Based on a population survey conducted by the Chinese Association of Social Science 中国社会科学院 in 1986, Zheng argued that during 1949-60 millions of people migrated from the eastern and central regions to the western regions, especially to the northwestern region, and more than half of these migrants to the northwestern region had urban origins. However, Zheng ended his study just as he pointed out the connections between this population migration and the industrial expansion in the interior.³⁷ Greg Rohlf made a special study on large-scale migration of “intellectual youths 知识青年” to Qinghai 青海 province during the Qinghai reclamation in the 1950s, but he described this as a migration flowing towards rural areas in Qinghai province in order to build huge state-owned farms.³⁸ Furthermore, according to a social survey on four cities and towns in Shaanxi province in the 1980s, Yang Yang and Tan Jinping found that those in-migrants and their offspring accounted for a considerable share of the urban population in the Guanzhong Plateau of Shaanxi province, but they did not present concrete data and give a deeper analysis.³⁹ In this thesis, the case of Bǎoji city will give us a good viewpoint to observe this migration of skilled labor from coastal to inland cities, and its relationship with the industrialization strategy of the CCP government.

To examine the migration of skilled labor during this period also involves a review of the literature on the labor management of the CCP government in this period, because it will tell us how the government mobilized the skilled workers to

migrate. Sheila Oakley, Elizabeth M. Freund, Dennis Tou Yang and Hao Zhou have argued that the CCP government treated labor only as a kind of resource for production, and used labor policy and related institutions to keep urban expansion adaptable to production needs. And based on the facts of the CCP's restrictions on labor migration between rural and urban areas, which often included household registration, rationing and a coupon system for all kinds of basic necessities, enforced job assignment system, etc., some scholars saw the CCP labor management as a controlling and suppressive one.⁴⁰ Considering the strict industrial management in production, the tight control of all kinds of labor organizations (like trade unions), the rigid promotion and wage system based on seniority, and the dependence of workers on welfare provisions of the work unit they served, etc., Yael Gluckstein, Elizabeth Freund, Greg O'Leary and Deborah Davis regarded the role of the Chinese working class in industrial management and the labor movement as very passive.⁴¹ Although mass participation, mass movement and other socialist characteristics in industrial management and industrial establishment were praised in literature about the CCP's industrial policy and its method of industrial expansion,⁴² these western scholars recognized that workers in industrial management had few real authorities or powers.⁴³

But research on the Chinese labor movement and social structure suggested that some groups of workers were not totally powerless in labor management, and could actively use many institutions and policies to serve their interests and even sometimes to protest against the state and its agents. Paul Harper treated trade unions as an important channel for the upward mobility of worker activists to improve their status as cadres 干部⁴⁴. Elizabeth Perry showed that in Shanghai labor movements during the Socialist Transformation 社会主义改造 in 1953-56 and the Hundred Flowers and Hundred Schools 百花齐放百家争鸣 campaign in 1957, the employees of private enterprises in Shanghai could defend their interests in the face of the CCP government by using political, economic and organizational methods.⁴⁵

The studies on the relationship between workers and state in daily life also

⁴⁰ In China, cadre was not only an occupational identity referred to bureaucrats. It also had political and economic meanings. Cadre had higher political status and better income and welfares than "masses 群众".

showed that some groups of Chinese working class were powerful. Schurmann revealed the importance of ideology and material incentives in the CCP's mobilization of workers, while Walder reminded us that the authority of the CCP government and its agents in enterprises had to rely on the support and co-operation of activists and old workers, and in exchange the latter enjoyed some privileges.⁴⁶ Sociological studies on the PRC, especially on the work unit system, also revealed that some factions of Chinese workers who enjoyed better work unit identity than others could monopolize certain good jobs for their families and offspring. Similarly, we find from local sources on the inter-regional migration of skilled labor that, besides the mass mobilization movement and compulsory commands, bargains between the CCP government and special groups of workers were quite common. The result was the biased policies of the government and enterprises that favored these migrant workers in labor employment, wage system, and so on, as a compensation for their migration. In fact, all these privileges of these special groups of workers were thought to be natural and were made public, even though some scholars assumed that it was a blatant erosion of social morality and communist ideology.⁴⁷ All of these implied that the CCP's attitudes toward skilled workers and economic organizations, and the relationships between workers and state in the PRC was much more complicated than people assumed.

C. Urban society of the PRC

It was generally agreed that different social groups existed in Chinese cities because of the unbalanced distribution of different social prestige, economic incomes and other resources among their citizens. Historians have often observed the urban society of China from the view of social structure and found it segmental and fragmented, but sociologists often studied it in terms of social stratification.

Some Chinese literature on the social structure of the PRC during 1949-76 approached this subject from Maoist social theory. Li Qiang argued that the social structure in China in this period was formed according to Maoist class theory. In comparison with Marxist class theory, Li showed that the differing area of Maoist

class theory was its dual criteria for dividing social classes: individual class designation and individual political behavior, while Marxist theory only emphasized the former. In Li's view, after 1956 when the Socialist Transformation 社会主义改造 campaign between 1953-1956 destroyed the real economic base of "exploitative" classes like capitalists and landlords, individual political behavior became the most important criterion to divide social classes. Some people were classified as the "capitalist class" not on any economic basis but only for their "capitalist mentality" and backward political behavior.⁴⁸ However, this criterion was very hard to use in real research and analysis, because its overemphasis on individual activities without consideration of structural elements.

Richard Kraus observed the Chinese social structure after 1956 from the perspective of occupational rank when private property ownership was wiped out in the Socialist Transformation campaign. Kraus pointed out that with the expansion of the state-owned economy and the state's control over the entire society, the most important sociological phenomenon was the ascendant cadres 干部 (bureaucrats) as the most powerful group because of the resources they controlled, and therefore new social inequalities were formed. However, he said these new social inequalities were obscured because Mao avoided treating bureaucrats as an independent social group until his last days because of his fear of possible opposition from powerful cadres and the huge social costs of attacking cadres, and the CCP government still insisted on the existence and importance of the class structure based on property ownership.⁴⁹ With this in mind, Kraus pointed out that these two different models of social stratification fragmented Chinese society. The property-based stratification dealt mainly with people's political status, while the occupational rank stratification concerned people's economic status, and they were often incompatible. In addition, Kraus said these two models of social stratification had different weight in different locations. In cities, the occupational rank stratification was more powerful than property-based stratification, because urban population was mainly composed of bureaucrats and workers who lived on their wages.⁵⁰

Zhong Deng conducted a sociological study in 1993 on the relationship between

social status attainment and the occupational stratification in China after 1949. Zhong Deng targeted on the effect of a father's occupation, father's education, individual education, individual social origin, etc., on individual status attainment, and found great differences existed between China and western countries in social status attainment. Although in China the overall educational attainment increased due to the development of mass education and the effect of social background on this attainment decreased just like in western countries, individual education only showed its power in status attainment amongst professionals. As for cadres, the most important variables were father's occupation and father's social origins, which Zhong Deng attributed to the specific political needs of the CCP. He concluded that in China there were two different systems of status evaluation and promotion "meritocratic" and "ideological".⁵¹ Similarly, Susan Shirk called the nature of social status attainment in China a "virtocracy", and argued that this led to the creation of something backward and traditional: opportunism, sycophancy and patronage, privatization and avoidance of activism.⁵²

Besides this social stratification based on occupational ranks (cadres, professionals, and workers), more sociological and historical researchers shifted their focus to horizontal social stratification based on social sectors, ethnicity, places of origin, and the work unit system.⁵³

It was historians who first noticed the many sociological horizontal differences among the Chinese working class. Elizabeth Perry in her studies on the labor history in Shanghai after 1949 found that, skilled workers often had many privileges such as permanent employment, high wages and good welfare, employment for relatives and social contacts – all of which could be attributed to their extensive revolutionary experiences before 1949 and their key positions in industrial production. She viewed this as the continuation of the tradition of artisan guilds and paternalism in the new socialist system after 1949.⁵⁴ This privileged status of skilled old workers, and their efforts to defend their privileges against the equal or egalitarian requests of unskilled workers, led to serious conflicts, sometimes even armed conflicts in the Cultural Revolution, among Chinese workers – especially "between new and older workers,

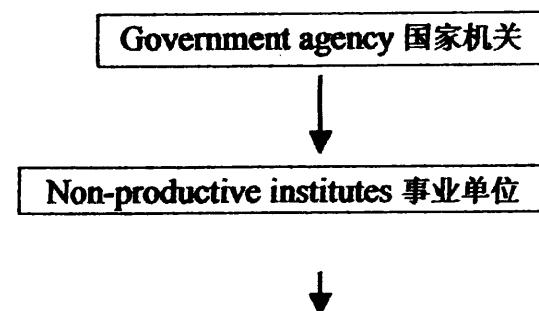
between local and outsiders, and between ordinary workers and managerial staff”.⁵⁵ Similarly, Walder highlighted the contrast between activists and ordinary workers within the authority structure of industrial management. David Strand, Martin Whyte and William Parish also believed that in China social fragmentation was rather common and resulted from the “deep barriers separating people on the basis of occupation, residence, sub-ethnicity (the locality or region one hailed from originally), and degree of urbaneness or ruralness”.⁵⁶

More recently, studies have focused on the role of the work unit 单位 system in causing various socio-economic differences and social stratification in urban China. Bian Yanjie and other scholars have found that the different capacities of work units in China to pay their employees’ wages, offer welfare, entertainment facilities, health care, education, etc, played a decisive role in stratifying society horizontally.⁵⁷ Meanwhile, scholars also pointed out other important functions of the work units in Chinese urban society, such as its roles in social controls, its influence on the identity of the working class and labor unrest, its internal complexity, the relative isolation among work units with each other, and its lack of autonomy.⁵⁸ Here, we restrict our focus to the effects of this work unit system on Chinese social stratification.

Bian Yanjie thought that the influences of this work unit system on the formation of social differences were similar to the social stratification in the United States from the organizational view. Work units in the United States formed a system according to work unit’s size, influence, and working conditions, and in which work units with high status could offer their employees higher wages, better welfare, better social prestige, etc., than work units with low status.⁵⁹ With a similar work unit system in China, however, Bian Yanjie, Li Hanlin and Wang Qi argued that the work unit system in PRC was formed on different bases: in China the work unit’s status in the work unit system was fundamentally decided by the work unit’s ownership, functional division (or sector) and administrative rank (see Chart 2), which resulted from the Chinese command economy and the government’s biased industrial policy. In China, the size of work units had only limited positive effect on the status of enterprises.⁶⁰ Bian, Elizabeth Freund and Elizabeth Perry attributed this peculiarity of China to the fact

that Chinese enterprises were in fact the “representatives” of the state rather than only independent employer as in western countries, and their size counted far less than the economic sector to which they belonged and their administrative jurisdictions.⁶¹

Chart 2. The work unit hierarchy in communist China before the 1990s



		Bian and Li's hierarchy	Revised hierarchy according to sources in Baoji city
Enterprises 企业单位	State-owned industrial enterprises 国营企业	Plants of the central ministries 中央部属企业	Enterprises that were included into the government's planning 计划内企业
		Plants of the provincial governments 省属企业	
		Enterprises of the municipal governments 市属企业	
		Plants of District 区属企业	
	Non-public enterprises	Collective plants 集体企业	Enterprises that were not included into the government's planning 非计划内企业
		Private plants 私人企业	

Sources: Bian Yanjie, *Work And Inequality In Urban China*, p. 26; Li Hanlin and Wangqi, *Research On The Chinese Work Unit Society*, pp. 65-6.

Bian and Xu Xinxin also found that the work unit played a decisive role in social status attainment. Analyzing his sociological survey in Tianjin in 1988, Bian found that individual education, parental work units, and parental social resources (social contact) were the most important correlated variables in individual initial job attainment. And as far as individual work unit mobility was concerned, the most important variables were the individual initial work unit status, Party membership, and social resources accessed through social ties.⁶² Bian finally concluded that the work unit system had a fundamental impact on social status attainment, because even those elements themselves that affected individual work unit attainment were linked to other people's work units, such as parental work units and social contact's work units, or the combined social result of work units (individual education).⁶³

This attitude was supplemented by Xu's study on two nationwide surveys done in 1990 and 1993 in China. Xu found that in urban China, the inter-generational maintenance rate of social status was high among workers of state-owned enterprises and reached to about 76.3% in 1990 and 72% in 1993. Even for cadres, who had the lowest rate of inter-generational status maintenance, its rate was still above 1/3 in 1990 and 1993⁶⁴. Using 9 variables to analyze the process of individual social status attainment,⁶⁵ he found parental variables had the greatest influence on individual achieved variables, followed by institutional variables, and these parental variables influenced individual achieved variables more and more as time went by. This finding was contradictory to the industrialization theory that assumed the effect of parental variables would decrease in every country that was industrialized or just industrializing.⁶⁶ Bian and Xu's findings implied that some special social groups and their offspring monopolized many higher occupations in China, and consequently caused inequalities in social status attainment and social mobility in socialist China.⁶⁷

Even with his eloquent analysis of the strong inter-generational connection in the attainment of work units, however, Bian's conclusion that the Chinese work unit system was formed along the differences in ownership, sector and administrative ranks, seemed to be problematic. With no social surveys or census on the real gaps of individual income and welfare formed by the work unit system,⁶⁸ Bian based his conclusion on only his observations and some arbitrary understandings of resource allocation in the Chinese command economy. Just as I said in the review on the urban economy that the position of one enterprise in the work unit hierarchy in economic system was directly decided by its "production nature" and "production importance" (page 9), I would argue that the sociological work unit system was formed on the base of this economic work unit hierarchy. And it was the economic sectors, the importance and the nature of the enterprises, not the ownership and administrative jurisdictions, that decided enterprise's status in this social work unit system.

Furthermore, it was not clear whether the parental work unit played its sociological roles through individual activities, or through some legitimate institutions and policies. In addition to the attention paid to all kinds of informal individual

activities, like the “backdoor”, corruption, client-patron relationship found in all fields, Elizabeth Perry found that the employment policy of “children replacement 子女顶替” contributed much to the strong connection of inter-generational work unit status attainment.⁶⁹ From the accessible local sources about Baoji city, I found in fact that there had been many legitimate policies and channels, especially employment policies that sustained this “job inheritance”. This bring us back to the discussion on the close relationship or coalition between the communist government and skilled workers that was thought by Elizabeth Perry to give rise to the work unit system,⁷⁰ and on the CCP’s experience with the military organization and the cultural and historical legacies of China’s past mentioned by Li Hanlin and Wang Qi.⁷¹

D. Review on China during 1937-49

One important question emerged from the above literature reviews from an historical perspective: Were the government’s industrial and regional policy, the method of industrial expansion, the horizontal social stratification, and so on, something singular to China after 1949? To answer this question, an historical comparison will be very useful. Since the modern development of Baoji city started from the end of 1936, I will review the situation of China during 1937-49.

Chinese sources and literatures showed that during the mid-1930s the GMD government realized the inevitable Japanese invasion and reacted by setting up heavy industries in the interior and shifting national industrial distribution, but at a slow pace. When the war broke out in 1937 and Japan swiftly occupied the coastal regions, the GMD government accelerated its western industrial investment and relocated many industrial enterprises from the coastal regions to the interior. At the same time, state controls on the national economy were tightened and the state-owned economic sector developed quickly.⁷² All these were similar to the situations after 1949, especially to the construction of the “third front” during 1965-76, and partly to the FFYP and the early 1960s. But the differences in industrial and regional policy between the GMD and CCP regime were also very great. The most important were the temporary nature of these policies of the GMD and the continued role of the private sector. Furthermore,

the GMD government lacked the powerful mobilization means and the method of industrial expansion that the CCP government implemented after 1949.

The war and the government's policy created a huge intra-national migratory wave from the coastal regions to the interior. But no in-depth study has been done on this topic, and controversy existed on many important issues, such as the numbers and composition of in-migrants in the interior. Older studies on this wartime population migration often assumed that the war had its influences on urban areas much more than on rural areas, and most of migrants were urban residents that included officials, soldiers, skilled workers, technicians, teachers, students, and their families. It was also said that the migration of these urban residents to the interior mainly happened before the end of the 1930s, for the large-scale battles in eastern China were concentrated mostly in this period.⁷³ This migration of the eastern coastal urban population was wave upon wave, based on the steady inward advance of the Japanese. Before 1938 when coastal regions were threatened and then occupied by the Japanese, the Central China 华中 region (Hubei 湖北 and Hunan 湖南 provinces) was the destination of urban refugees. But when the Japanese army advanced to this region the refugees and many urban residents in Central China moved to the northwest and southwest of China. The Yangzi River and Longhai Railroad became the main routes of migration.⁷⁴ But new studies based on the local historical records of the provinces in eastern China argued that large numbers of peasants in the northern China (especially Henan province) also became refugees, when the serious disasters after 1940 caused by a combination of bad weather, battles between Chinese and Japanese, and the collapse of public bureaucracy hit the north.⁷⁵

However, older and new schools of research had no reliable demographical materials to validate their research, and concerned little about such important issues as the nature of this migration (permanent or temporary), the characteristics of the in-migrants in the interior, and the social influence of this migration on their destination. In this regard, a study of the case of Baoji city, an important destination of the wartime refugees, would reveal important information on the above different views and attitudes. Furthermore, this observation on the labor in-migration in Baoji

city before 1949 would help us as a historical reference to examine the CCP's policy on labor migration after 1949.

The in-migrants, especially the migratory skilled workers, played important roles in the industrial development of the interior – something already mentioned by Shi Kuoheng in his study on industrial development in wartime Kunming 昆明 of Yunnan province.⁷⁶ Local sources in Baoji city supported this idea, because in-migrants predominated in many modern and traditional occupations that had never emerged in Baoji city before 1937. What was interesting was the fact that although in-migrants with the same original place often engaged in the same occupations, there were no local sources either in community or in identity to prove that the in-migrants formed into relatively self-conscious social groups based on home place. One possible reason for this was that this migration was a sudden and involuntary one caused by war and natural calamities, and that the interrelations between in-migrants from the same place were relatively weak. Another reason might be that the quick industrialization in Baoji city created great needs for unskilled workers. The combination of these factors may have made many in-migrants not rely on personal ties and social relations based on places of origin to find jobs in the new workplaces.

The relative scarcity of skilled labor in the interior also influenced current labor policies of the GMD government. Frazier found that in order to keep skilled workers in critical sectors associated with military production, the GMD government in 1940s curbed job mobility, regulated the wage system, and asked factories to act as self-sufficient social units to cater to almost all their employees' needs faced with serious inflation. Frazier argued that to some extent industrial enterprises – especially state-owned enterprises – had more functions than just production and making profits, because they had to help the government to control inflation, labor movement, labor turnover, and so on.⁷⁷ Local sources about the Baoji city also proved that during this period, some large plants like the Shènxīn 申新 Fourth Mill and the Fuxin 福新 Fifth Flour Plant of the Rong Family 荣氏家族 – the largest industrial capitalist in China in that time – already offered all kinds of welfare benefits such as school, kindergarten, and health care to their employees, and the phenomenon of parents and children

working in the same enterprises had already emerged and was popular. This situation was very similar to the characteristics of the work unit system in the PRC.

Sources

A. Primary sources:

Most primary sources and material related to my study were available in the Baoji Archives 宝鸡市档案馆, the Archives of Baoji Urban Construction 宝鸡城市建设档案馆, and the Baoji Municipal Library 宝鸡市图书馆. Generally speaking, the sources in the Baoji Archives are mainly composed of the following: the directives, commands, bulletins, all kinds of plans from upper governmental organs, like the Shaanxi Provincial Government, the Northwest Bureau of the Central Committee of the CCP, the Lanzhou 兰州 Military Region, and so on; statistics, surveys, plans, and applications of functional organs of the Baoji Prefectural and Municipal Government; all kinds of applications and reports from enterprises managed by the municipal government and the government's reply; local newspapers, and considerable local historical records. The Archives of Baoji Urban Construction contain all kinds of statistics, maps, plans about urban construction in Baoji city, and some urban population statistics of Baoji city. The most important sources in the Baoji Municipal Library is the wide variety of published and unpublished local historical records, including those of the general development of Baoji city, of all kinds of economic sectors and industries, of many enterprises, and special journals about the local history of Baoji city.

At the same time, the rich collection in the Fung Ping Shan 冯平山 Library of The University of Hong Kong, especially the microfilm of numerous local newspapers, the official publications of historical records of Shaanxi province and China from 1937 to 1976, were very useful and helpful for my research.

Furthermore, I have conducted interviews with the urban residents in Baoji city. Because of their experiences in past political campaigns and their caution to speak on my topic, many residents were unwilling to be interviewed, and finally only twelve

residents accepted my interview and recording. Even though these twelve interviews are not enough for my thesis, I really did obtain some very important and quality information about Baoji urban development and urban society from them.

B. Secondary material

There are no special studies on Baoji city. There are some official publications about Baoji urban development that have considerable useful data. Most of this literature is in the Baoji Municipal Library, and some of them were accessible in the Fung Ping Shan Library. But their ideological bias and one-sided interpretation had to be carefully handled.

Approaches and Methods

This thesis will proceed mainly by using the historical description and analysis for several reasons. Firstly, the topic of this thesis was the historical process of the interaction among three elements. Secondly, with so many controversies over many important issues, the historical description and analysis based on concrete sources might be the best way to approach the topic. Finally, because this study only deals with one city, the historical description and analysis can help to avoid over-generalization, and to offer a base for future comparative study.

At the same time, other approaches were used for some special sub-topics. As far as the content of the economic strategy of the CCP government is concerned, I used the model of “aims (industrial and regional policy) --- tools (the way of industrial expansion and economic administration)” to integrate these four sub-topics into one, in order to try to illustrate the dynamic and strong connections between them, and to observe the nature and character of the CCP’s strategy and policy-making from a broader view. Specifically, I will view the economic administration of the CCP from a systematic perspective - that is, to observe the organization of the industrial production, the circulation and allocation of economic resources, and the economic relations among a variety of organizations in this command economy, instead of centering on the administrative relationship between governments and enterprises.

During the description and analysis of urban society, some useful sociological terms and analysis will be used, especially on the sociological consequence of some important institutions and policies, such as the sociological work unit system.

Structure of the study

My study will be a chronological one, divided into four chapters according to the growth of Baoji city. The first chapter is an introduction to Baoji city before 1949. The first part of this chapter is a brief description of Baoji city before 1936, and then in the second part we will observe the first wave of quick development of Baoji city during the Chinese Anti-Japanese War (1937-45). I will center on the government's wartime policy towards the interior in that time, and its influences on urban economy and urban society of Baoji city. The second chapter covers two phases: the period of "national economy recovery 国民经济恢复时期" during 1949-52, and the First Five-Year Plan 第一个五年计划 (the FFYP) during 1953-57. It focuses initially on the economic crisis that the CCP government faced in Baoji city and its response, and consequently on the formation of some important institutions that had long-term and deep influences. The second part is key to this study, because during 1953-7 the CCP government implemented its first large-scale industrialization strategy – the FFYP – and began to nationalize the economy and transform it into a planning one. All these steps led to great changes in the urban economy and society of Baoji city until the early years of the 1960s. The third chapter focuses on the Great Leap Forward 大跃进 (the GLF), and the following economic crisis in the early 1960s. Discussions concentrate on the real content of the so-called new strategy in the GLF and then the adjustment in the early 1960s, and their influences on the urban economy and society of Baoji city. The fourth chapter pays special attention to the new strategy of the CCP, the construction of the "third front" during 1965-76, and its influences on all aspects of Baoji city. Every chapter will discuss three sub-topics: the government's strategy, its implementation and influence on the urban economy of Baoji city, and the social changes in Baoji city.

Note

¹ This program started from one Speech of Chairman Jiang Zemin on a meeting of the state-owned enterprises reform and development in five provinces of the northwest China held in June 17, 1999, in Xi'an city of Shaanxi province. The content of this meeting see the report in *Renmin Ribao (People's Daily)*, June 18, 1999.

² Chen Baohui (et al.), *Baoji Chengshi Shi (History of Baoji City)* (Beijing: Shehui Kexue Wenxian Chubanshe, 1994) p. 1.

³ Qiang Zhengzhi (et al), *Shaanxisheng Baoji Zhi (Historical Records of Baoji county)* (Baoji: 1922, reprinted by Chenwen Chubanshe in Taipei, 1931), p. 46.

⁴ Urban and suburban population in Baoji city increased from 13,000 in 1935 to 46,580 in 1945. Baojixian Zhi Bianweihui (The Editing Commission of *Historical Records of Baoji County*) (ed.), *Baojixian Zhi (Historical Records of Baoji County)* (Xi'an: Shaanxi Renmin Chubanshe, 1994).

⁵ Xianyang Difang Shi Bianweihui (The Editing Committee of Local History of Xianyang Municipality) (ed), *Xianyang Difang Shi (Local History of Xianyang Municipality)* (Xi'an: Shaanxi Renmin Chubanshe, 1995), p. 383; Liu Yuhan (et al), *Dangdai Zhongguo De Gansu (Gansu Province in Modern China)* (Beijing: Dangdai Zhongguo Chubanshe, 1992), p. 13, 71, 122.

⁶ Shen Yimin and Tong Chengzhu, *Zhongguo Renkou Qianyi: Lishi He Xiandai De Guandian (The Population Migration in China: Historical and Contemporary Perspectives)* (Beijing: Zhongguo Tongji Chubanshe, 1992), p.115; Yang Yang, "Yimin juli he shuliang zhijian guanxi de hongguan fenxi (a macro-analysis of the relationship between migrant distance and migrant number)", *Zhongguo Shehui Kexueyuan Renkou Yanjiu Suo (The Demographic Research Center of the CCAS)* (ed.), *Zhongguo Renkou Qianyi Yu Chengshihua Yanjiu (The Study on Chinese Migration and Urbanization)* (Beijing: Zhongguo Jingji Xueyuan Chubanshe, 1988), p. 99.

⁷ Shen Yimin and Tong Chengzhu, *Zhongguo Renkou Qianyi*, p.151, 161.

⁸ Alexander Eckstein, *China's Economic Development: The Interplay of Scarcity and Ideology* (Ann Arbor: The University of Michigan Press, 1975), p. 232, 246.

⁹ Ibid., p. 21; Victor D. Lippit, *The Economic Development of China* (Armonk: M.E Sharpe, Inc, 1987), p. 134; Stephen P. Andors, "China's industrialization in historical perspective", in Neville Maxwell (ed.), *China's Road to Development* (Oxford: Pergamon Press, 1979), pp. 27-40; T. N. Chiu, "Urbanization process and national development", in C. K. Leung and Norton Ginsburg (eds.), *China: Urbanization and National Development* (Chicago: University of Chicago, Dept. of Geography, 1980), p. 95.

¹⁰ Kjeld Erik Brodsgaard, "Paradigmatic change: readjustment and reform in the Chinese economy, 1953-81", *Modern China*, Vo. 9, No. 1 (Jan. 1983), pp. 37-83; No. 2 (Apr. 1983), pp. 253-72; Barry Naughton, "The third front: defense industrialization in

the Chinese interior”, *The China Quarterly*, No. 115 (Sep. 1988), p. 351; Evan A. Feigenbaum, “Soldiers, weapons and Chinese development strategy: the Mao era military in China's economic and institutional debate”, *The China Quarterly*, No. 158 (Jun. 1999), pp. 285-313; Jean-Claude Berthelemy and Saadet Deger, *Conversion of Military Industries in China* (Paris Development Center of the Organization for Economic Co-operation and Development, 1995). Related Chinese literature were plentiful, the best examples were the series of *Dangdai Zhongguo* (China Today 当代中国).

¹¹ Martin K. Whyte and William L. Parish, *Urban Life in Contemporary China* (Chicago: The University of Chicago press, 1984), p.15; David D. Buck, ‘Policies favoring the growth of smaller urban places in the people's republic of China, 1949-1979’, in Laurence J.C Ma and Edward W. Hanten (eds.), *Urban Development in Modern China* (Boulder: Westview press, 1981), p.120.

¹² Stanley D. Brunn and Jack F. Williams (eds.), *Cities of The World: World Regional Urban Development* (New York: Harper and Row press, 1993) (2nd edition), p. 22; Barry Naughton, “Cities in the Chinese economic system: -changing and conditions for autonomy”, in Deborah S. Davis (et al.) (eds.), *Urban Spaces in Contemporary China: The Potential for Autonomy and Community in Post-Mao China* (New York: the Press Syndicate of the University of Cambridge, 1995); Rhoads Murphey, “China, tradition and transformation”, in John A. Agnew (et al.) (eds.), *The City in Cultural Context* (Boston: George Allen and Unwin Ltd, 1984), p. 197.

¹³ Laurence J.C Ma, “Introduction”, David P. Buck, “Policies favoring the growth of smaller urban places in the PRC, 1949-1979”, in Ma and Hanten (eds.), *Urban Development in Modern China*, p. 8, 114; Rhoads Murphey, “China, tradition and transformation”, in Agnew (et al.) (eds.), *The City in Cultural Context*, p, 200; Robin Thompson, “City planning in China”, in Maxwell (ed.), *China's Road to Development*, p. 300.

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⁴⁹ Richard Curt. Kraus, *Class Conflict in Chinese Socialism* (New York: Columbia University Press, 1981), pp. 2-3, 7-8.

⁵⁰ *Ibid.*, p.30.

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⁵⁴ Elizabeth J. Perry, "Labor's battle for political space: the role of worker associations in contemporary China", in Deborah S. Davis (et al.) (eds.), *Urban Spaces in Contemporary China: The Potential for Autonomy and Community in Post-Mao China* (New York: the Press Syndicate of the University of Cambridge, 1995), pp. 305-6.

⁵⁵ Ibid., p. 305-6, 311. One important fissure between workers in some new established factory in interior regions was emphasized by Perry: "newly established factories tended to hire workers from the Northeast or Shanghai who did not get along well with local hires".

⁵⁶ David Strand, 'Conclusion: historical perspectives' in Deborah S. Davis (et al.), *Urban Spaces in Contemporary China*, p. 395; Whyte and Parish, *Urban Life in Contemporary China*, p. 366.

⁵⁷ Bian Yanjie, *Work Unit Structure and Status Attainment*; Li Bin, "Dan wei culture as urban culture", in Greg Guldin and Aidan Southall (eds.), *Urban Anthropology in China* (Leiden: E.J. Brill, 1993); Bian Yanjie, *Work and Inequality in Urban China* (Albany: State University of New York Press, 1994); Pan Nagu and Ma Rong (eds.), *Shequ Yanjiu Yu Shequ Fazhan* (*Community Study and Community Development*), (Tianjin: Tianjin Renmin Chubanshe, 1996); Li Hanlin and Wangqi, *Research on The Chinese Work Unit Society* (Frankfurt am Main: Peter Lang, 1996); papers in Lü Xiaobo and Elizabeth J. Perry (ed.), *Danwei: The Changing Chinese Workplace in Historical and Comparative Perspectives* (Armonk, N.Y.; London: M. E. Sharpe, 1997); Cao Jinqing and Chen Zhongya, *Zouchu Lixiang Chengbao – Zhongguo Danwei Xianxiang Yanjiu* (*Walk Out the "Ideal Castle": the Research about the Phenomena 'Chinese Living in Units'*) (Shenzhen: Haitian Chubanshe, 1997); Li Lulu, *Zhongguo Daiwei Zuzhi* (*Dan Wei Organization in China*) (Hangzhou: Zhejiang Renmin Chubanshe, 2000); Zhou Yihu, *Zhongguo Danwei Zhidu* (*Dan Wei Institute in China*) (Beijing: Zhongguo Jingji Chubanshe, 1999); Xu Xinxin, *Zhongguo Dangdai Shehui Jiegou De Bianhua He Liudong*.

⁵⁸ Li Hanlin and Wangqi, *Research on The Chinese Work Unit Society*, pp. 66-7; Elizabeth J. Perry, "From native place to workplace: labor origins and outcomes of China's Danwei system", in Lü Xiaobo and Elizabeth J. Perry (ed.), *Danwei*, pp. 42-3, 178-181; Mark W. Frazier, *The Making of The Chinese Industrial Workplace: State, Revolution, and Labor Management* (Cambridge: Cambridge University Press, 2002), p. 136.

⁵⁹ Bian Yanjie, *Work and Inequality in Urban China*, pp. 209-210.

⁶⁰ Ibid., p. 209; Bian Yanjie, *Work Unit Structure and Status Attainment*, p. 8, 62, 66-8,

⁷⁶⁻⁷; Li Hanlin and Wangqi, *Research on The Chinese Work Unit Society*, pp. 65-6.

⁶¹ Bian Yanjie, *Work Unit Structure and Status Attainment*, pp. 211-2; Freund, *Forging Ahead*, p. 23; Elizabeth J. Perry, “From native place to workplace: labor origins and outcomes of China’s Danwei system”, in Lü Xiaobo and Elizabeth J. Perry (ed.), *Danwei*, p. 170.

⁶² Bian Yanjie, *Work Unit Structure and Status Attainment*, p. 208.

⁶³ Ibid., pp. 226-7.

⁶⁴ Xu Xinxin, *Zhongguo Dangdai Shehui Jiegou De Bianhua He Liudong*, p. 239.

⁶⁵ Individual status attainment was divided into three individually achieved variables: individual education, current individual occupation, and ownership of individual work unit. Correlative variables were four parental variables (father’s occupation, father’s education, father’s political origin, and ownership of father’s work unit) and two institutional variables (individual political origin, the living place of individual before the age of 18). Ibid., p.278.

⁶⁶ Xu Xinxin, *Zhongguo Dangdai Shehui Jiegou De Bianhua He Liudong*, p.306.

⁶⁷ Deborah Davis made a social survey in the end of 1980s and found the downward social mobility between parents of middle class and their offspring in PRC during 1950-79, see Deborah Davis, “‘Skidding’: the downward mobility of the children of Maoist middle class”, *Modern China*, No. 4 of Vol. 18 (Oct. 1992), pp. 410-37. Her conclusion of downward mobility based on the facts that many children of middle class engaged in manual jobs. However, the problem of this conclusion was that during this period the main criterion to evaluate one’s status was not the division of ‘white collar’ and “blue collar” just like in western countries, but the identity of work unit of urban residents. See following discussions.

⁶⁸ Perry Naughton calculates 18.6 square meters of housing per workers in large SOEs against 10.4 square meters in light industry, while the rate of primary education among these two kinds of workers was 16.2 percent and 4.4 percent respectively in 1985. Perry Naughton, “Danwei: the economic foundation of a unique institution”, In Lü Xiaobo and Elizabeth J. Perry (ed.), *Danwei*, pp. 174, 180.

⁶⁹ Elizabeth J. Perry, “From native place to workplace: labor origins and outcomes of China’s Danwei system”, in Lü Xiaobo and Elizabeth J. Perry (ed.), *Danwei*, pp. 183.

⁷⁰ Ibid., p. 44.

⁷¹ Li Hanlin and Wangqi, *Research on The Chinese Work Unit Society*, p. 63.

⁷² Tan Xihong (et al), *Shi Nian Lai Zhi Zhongguo Jingji: 1936-1945* (Chinese Economy in Recent Ten Years) (Taipei: Wenhui Chubanshe, 1974); Chen Hezhang and Shen Leichun, *Zhongguo Zhanshi Jingji Zhi* (The Records of China’s Economy in Wartime) (1941) (Taiwan: reprinted by Wenhui Chubanshe).

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Chubanshe, 1993), p. 271.

⁷⁴ Jiang Tao, *Zhongguo Jindai Renkou Shi*, p. 270; Chen Chaoyun, "Kangzhsn chuqi de nanmin neiqian (the refugee move to the interior in the earlier Chinese Anti-Japanese War)", *Kangri Zhanzhen Yanjiu (Journal of Chinese Anti-Japanese War)*, No. 2 of 2000, pp. 79-97.

⁷⁵ Xia Mingfang, "Kangzhan shiqi zhongguo de zaihuang yu renkou qianyi (disasters and population move during Chinese Anti-Japanese War)", *Kangri Zhanzhen Yanjiu*, No. 2 of 2000, pp. 57-78.

⁷⁶ Shi Kuo-Heng, *China Enters The Machine Age: A Study of Labor in Chinese War Industry* (New York: Green Wood Press, 1968), pp. xviii- xxi.

⁷⁷ Frazier, *The Making of the Chinese Industrial Workplace*, pp. 62-3.

Chapter One. Baoji city before 1949: an historical introduction

Before the 1930s, Baoji city was a small town located on the western part of the Guanzhong Plateau in middle Shaanxi province, and the northern terminus of the Sichuan-Shaanxi Road connecting the northwestern and southwestern China. Like other cities and towns in the Guanzhong Plateau, during the first dozen years of the 20th century, Baoji city was beset by political disorders, the wars between warlords, and a great natural calamity. But on the other side, some changes in the 1920s and 1930s, like the integration of the Guanzhong Plateau into the national economy in the form of agricultural specialization, the unification of China by the Guomindang 国民党 (the GMD) government in the 1930s, opened the door of modern development for these cities. This modern development was accelerated during the Chinese Anti-Japanese War in 1937-45, when the eastern part of the country was invaded and the GMD government had to shift its political and economic gravities towards the interior to sustain the war. With the government's supporting wartime policies and the labor in-migration, Baoji city quickly grew into an important industrial and economic center in the Northwest of China; its urban fabric was also greatly changed.

I. Baoji before 1937: a traditional city

A. Baoji city before 1934: an introduction

Baoji city and other towns in the Guanzhong Plateau had experienced serious political disorder during 1911-34 caused by the warlordism after the establishment of the Republic of China (1911). During these 23 years, the Guanzhong Plateau had to tolerate nearly 10 wars among warlords such as Chen Shufan 陈树藩, Liu Zhenhua 刘振华, Feng Yuxiang 冯玉祥, etc., and faced the widespread banditry that resulted from these wars.¹ Not only were the normal economic activities interrupted by these wars and banditry, but also all classes had to bear the burden of heavy exploitation by warlords, such as high taxation, compulsory military service, and so on. The

long-term effect of this political disorder on the local economy of the Guanzhong Plateau was the paralysis of many important economic functions of the civil governments. For example, the important irrigation system of the dry Guanzhong Plateau that had been used already for thousands of years became dysfunctional due to the neglect in the regular maintenance previously was organized by the government. As well, the social relief system Changping Cang 常平仓 (or Yi Cang 义仓) of the Qing Dynasty – the storage of grain in case of disaster - was thrown into ruin after the main granaries were ransacked by warlords.² Furthermore, the Guanma Dadao 官马大道 (the Official Road for Horse), the national emergency road system established in the Qing Dynasty in the case of wars and disasters, also broke down due to disrepair and lack of regular maintenance.³

Since the 1920s, the huge industrial needs of eastern China made the setting up and exportation of cash crops, such as cotton, tobacco, and opium, become important in Shaanxi's economy. Until the 1930s, the Guanzhong Plateau became an important plantation area for cotton, and contributed to 10.7% of national cotton production and 17.5% of the national export value of cotton raw materials (inclusive of cotton seed and cotton seed oil) in 1936-7.⁴ Opium, because it was encouraged or forced by warlords to be planted to export in exchange for grain and arms for their army, was planted in the most fertile lands in the western and eastern areas of Guanzhong Plateau.⁵ The most widespread cash crops in Baoji County were tobacco for exportation and broomcorn for making alcohol.⁶

This agricultural specialization had double-edged effects on the economy of the Guanzhong Plateau. On one hand, it strengthened the economic links of the Guanzhong Plateau with eastern China, and then necessitated the construction of modern communications in Shaanxi. Furthermore, this specialization made people accustomed to using cash (their income of planting and selling cash crops) to buy almost everything, especially the industrial goods imported from other places. This fostered a market for industrial products that would help fuel the future local industry in Shaanxi.⁷

On the other hand, the widespread planting of economic crops in Guanzhong

Plateau meant many peasants had to sell their crops to buy everyday necessities imported from other places. Once peasants encountered a poor harvest and had no money to buy their food, starvation was inevitable. Meanwhile, the development of modern industry in this area was quite slow, and the first modern industrial plant, Dahua 大华 mill, was established in Xi'an at the end of 1936. But local handicraft industries were hit heavily by the powerful competition of imported machine-made goods from eastern China. Popular hand weaving almost died in the Guanzhong Plateau.⁸

Against this backdrop, during 1928-32, the serious drought in northern China (Suiyuan 缓远, Shanxi 山西, Chaha'er 察哈尔, Gansu 甘肃, Shaanxi) became a huge disaster in Shaanxi province.⁹ In only a single summer in 1930, Shaanxi and Shanxi provinces lost at least three million people due to the famine and a similar number of people due to pestilence.¹⁰ In the Guanzhong Plateau, the most specialized western areas (including Baoji County) suffered most, and lost 1/3 of their population. Baoji County lost 97,361 people, only less than the most prosperous Fengxiang County in which 131,499 people died.¹¹ What made it worse were the negative roles of warlords Feng Yuxiang 冯玉祥 and others. It was said that Feng obstructed and took away the relief funds and materials from other provinces and overseas, and even added more taxes to the local economy to feed his armies.¹² Consequently, the local economy of Baoji County was weakened around 1934. About 1/4 of agricultural lands of the Guanzhong Plateau were still wastelands,¹³ and of 268 shops in Baoji city in 1933, only 190 survived in 1935.¹⁴ Population in Baoji County in 1932 was only 140,000 much lower than the number of 180,000 in 1929.¹⁵

B. Baoji city in 1934-6: the eve of modern development

The unification of all of China under the leadership of Jiang Jieshi 蒋介石 and the Nanjing National Government (at least in form) in 1934 brought much more to the Guanzhong Plateau than the political integration into the whole of China.¹⁶ The political order made it possible for the government to re-activate its many important functions and services. For example, the Shaanxi Provincial Government quickly

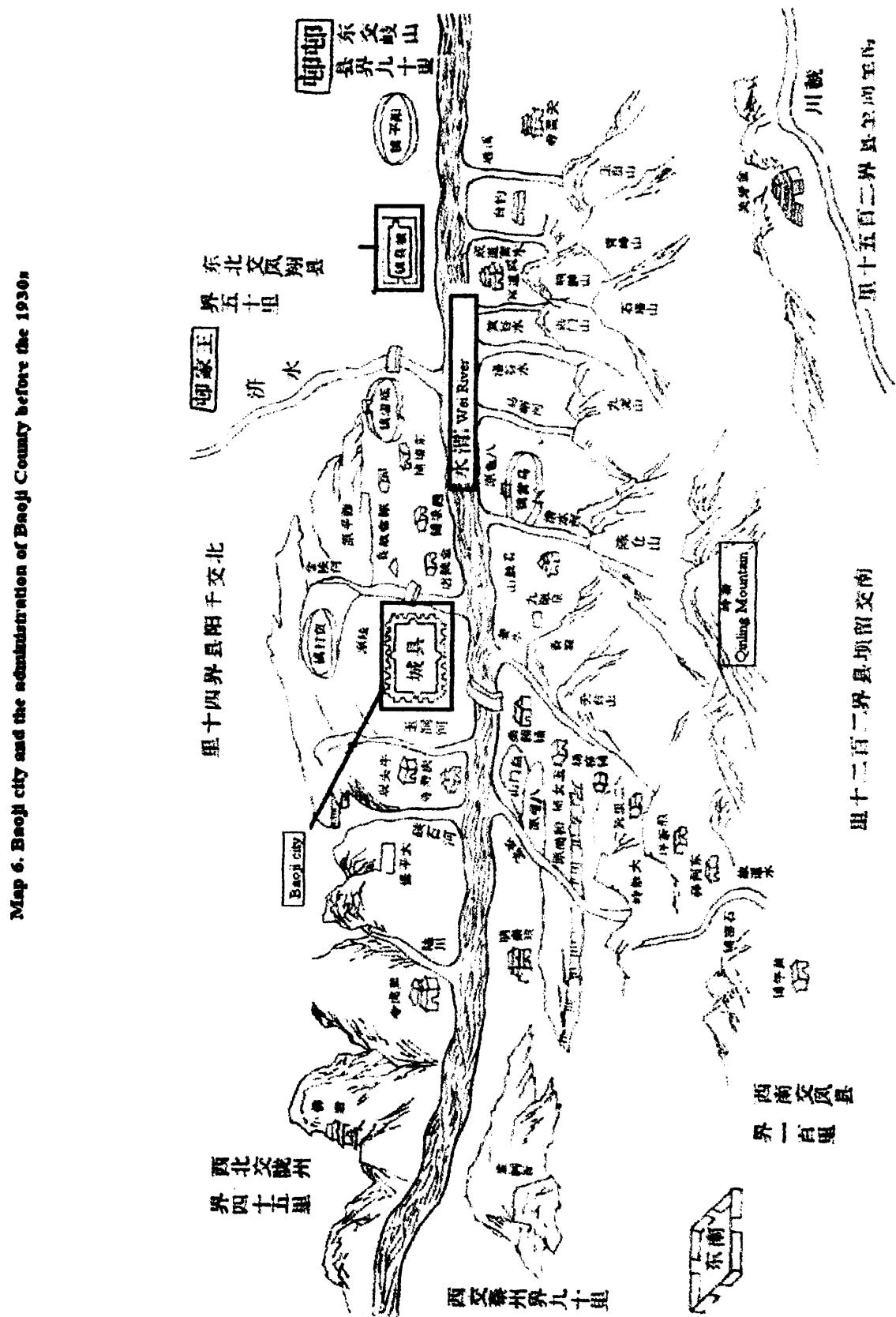
organized the repair and maintenance of the public irrigation system in Guanzhong Plateau after 1934, which enabled 7 canals to irrigate 1,883,00 mu 亩 of land in 1943.¹⁷

To Baoji city, the most important action of the GMD government was its construction of modern roads and railroads in Shaanxi province to strengthen the national transportation network to defend it from the CCP's army in northern Shaanxi and from possible attacks from Japan on eastern China.¹⁸ By the end of 1936, the Longhai 陇海 Railroad, which started from Lianyungang 连云港 in Jiangsu 江苏 province and planned to reach as far as Lanzhou 兰州 in Gansu 甘肃 province, extended westward to Baoji city, and several important inter-regional and regional state-owned highways 国道 (especially the Sichuan-Shaanxi Road) were built through Baoji city. These constructions made it possible for Baoji city to become a modern hub connecting the northwest of China with the southwestern and eastern China.¹⁹

This status upgrade of Baoji city in national transportation heralded its quick economic development. Before 1936, Baoji city was only an unimportant town in the Guanzhong Plateau, and was economically inferior to other important cities and towns in the Guanzhong Plateau, like Xi'an 西安 city (the capital of Shaanxi province) and Fengxiang 凤翔 town (the capital of the Prefecture in western Guanzhong Plateau that managed Baoji County). Even in Baoji County, Baoji city was dwarfed by Guozhen 郭镇 town, because the latter was the collection center for all kinds of goods shipped between Sichuan and Shaanxi province,²⁰ and provided 70% of the tax revenues to Baoji County Government.²¹ However, when Baoji city became the center connecting Longhai Railroad and Sichuan-Shaanxi Road at the end of 1936, about 100 companies and shops quickly relocated from Fengxiang town and Guozhen town to Baoji city.²² But the real rapid development of Baoji city, especially its industrial development, did not begin until the outbreak of the Chinese Anti-Japanese War in 1937.

By 1937, Baoji city was the capital of Baoji County of The 9th Administrative Area (whose administrative capital was Fengxiang town) of Shaanxi Province (see Map 6). The urban area of Baoji city by 1937 was named as Xiancheng 县城 town that had been circled by a wall during the Qing dynasty (see Map 7). After the Baojia

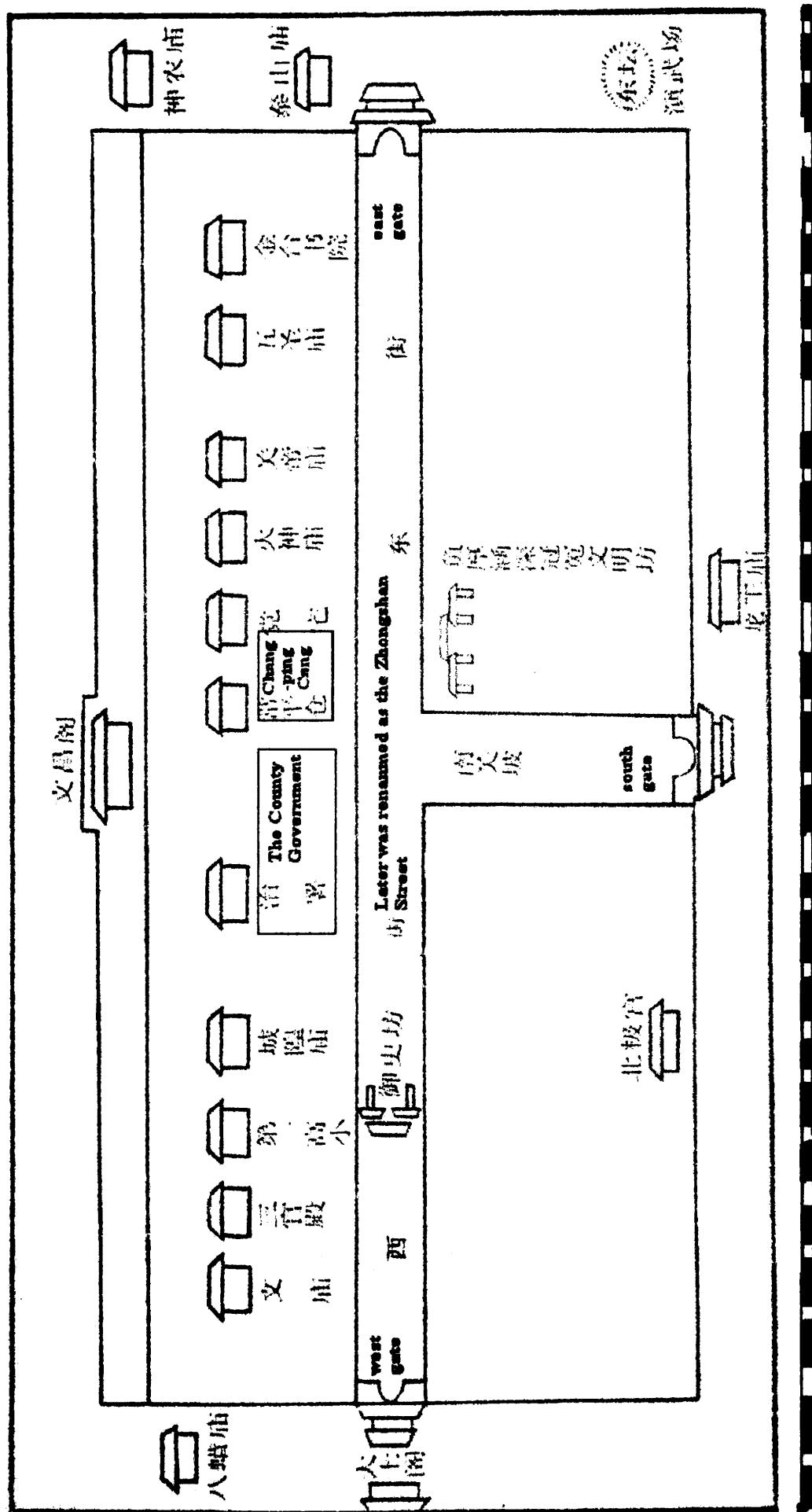
保甲 system was established in 1930s,²³ Xiancheng town covered 9 bao 保 that were composed of 122 jia 甲, home for about 10,000 urban and suburban residents.²³



Source: Baoguan Dianxin 2Z Biannian Weiyuanhui (ed.), Shaanxi Sheng Baoguan Dianxin Zhi (CJ) 1989, Shaanxi Chuban Zonghe

²² Baojia system was a system of social control widely used before modern era, and was re-introduced by the GMD government in 1930s. A neighborhood with ten families comprised a jia, and every ten jia formed a bao. Each bao and jia must help the government in social security, education, and so on. Once one family did something wrong, all families in the same jia and bao should be punished.

Map 7. The Xiancheng town of Baotu city before the 1930s



Longhai Railroad was built here in 1936

Source: Baotu Beijiexian Diding Zhi Bianzuan Weiyuanhui (ed.), Shaanxi Sheng Baotu Beijiexian Diding Zhi

II. The development of Baoji city from 1937 to 1949

The outbreak of the Chinese Anti-Japanese War in 1937 forced the GMD government to design a new industrialization strategy to accelerate the development of the interior of China. The war and the government's industrial and regional policies, re-directed capital, equipment, skilled and unskilled labor, and modern industrial techniques, to new industrial bases in the interior. All these triggered the first wave of rapid urbanization and industrialization of Baoji city, which eventually transformed it into an important industrial center of the Northwest by the end of 1940s.²⁴ I will now discuss the Guomindang Government's industrial policy, regional policy, and the method of industrial expansion and their influences on Baoji city.

A. Industrial distribution before 1937 and the wartime policies of the GMD government from 1937 to 1945

Chart 3: The industrial capacity of the seven inland provinces before 1937

Seven inland provinces	The number or amount	The national share
Industrial plants	237	6.03%
Industrial capital	15,244,000 yuan	4.04%
Industrial workers	33,000	7.34%

Source: Chen Zhen (et. al) (eds.), *Zhongguo Jindai Gongye Shi Ziliao* (*Historical Sources Of Industry In Modern China*) (Beijing: Sanlian Shudian, 1958-61), Vol. 4, pp. 95-7.

Before 1937, China's industrial capacity was concentrated in the big cities in the coastal and central regions, in cities such as Shanghai 上海, Tianjin 天津, Qingdao 青岛, Guangzhou 广州, and Wuhan 武汉. Seven inland provinces (Sichuan, Yunnan 云南, Guizhou 贵州, Shaanxi, Gansu, Hunan 湖南, Guangxi 广西) comprised only 6.03% of all national industrial plants, 4.04% of the industrial capital, and 7.34% of the national industrial workers (Chart 3). Among these seven provinces, Shaanxi had only ten industrial plants, lagging far behind Sichuan (115), Hunan (55) and Yunnan (42).²⁵

This unbalanced national industrial distribution came into great danger in the middle of 1930s, when China faced increasing threats from Japan on the eastern

border. Consequently, the GMD government set out to industrialize the interior through a series of industrial plans such as the campaign of “National Economic Construction 国民经济建设运动” in April of 1935, the “Eight Doctrines of Economic Construction 经济建设8大纲领” and the Five-Year Plan of Economic Construction 经济建设5年计划 in 1937, and the special three-year industrial plan with technical support from Germany and the US of the National Resources Commission 国家资源委员会 that started since 1936.²⁶ But these plans proved to be useless in July 1937 when Japan began its invasion.

The worry of the GMD government had now turned into a reality. Major parts of China's coastal industrial infrastructure were lost in the battles fought there, or were seized by Japan after the occupation of the coastal regions by the end of 1938. Almost all industrial plants in Qingdao 青岛 in Shandong province and Guangzhou 广州 in Guangdong province, two light industrial centers of China, were seized by the Japanese with their occupation of these two cities.²⁷ Shanghai, the biggest industrial base of China, lost 70% of its 5,200 industrial plants and factories in the battles, and many undamaged factories were overtaken by the Japanese.²⁸ Furthermore, the loss of coastal regions also blocked the main channels by which the GMD government received its foreign aid. What free China could rely on was only the Northwest Road to the Soviet Union and the Yunnan-Burma International Road to that British colony in southeastern Asia. Both barely qualified for modern transportation, and this restricted the importation of urgently needed goods such as armaments, and gasoline.²⁹ This urgent wartime situation forced the GMD government to take more immediately effective wartime policies to enable the interior to sustain its wartime economy.

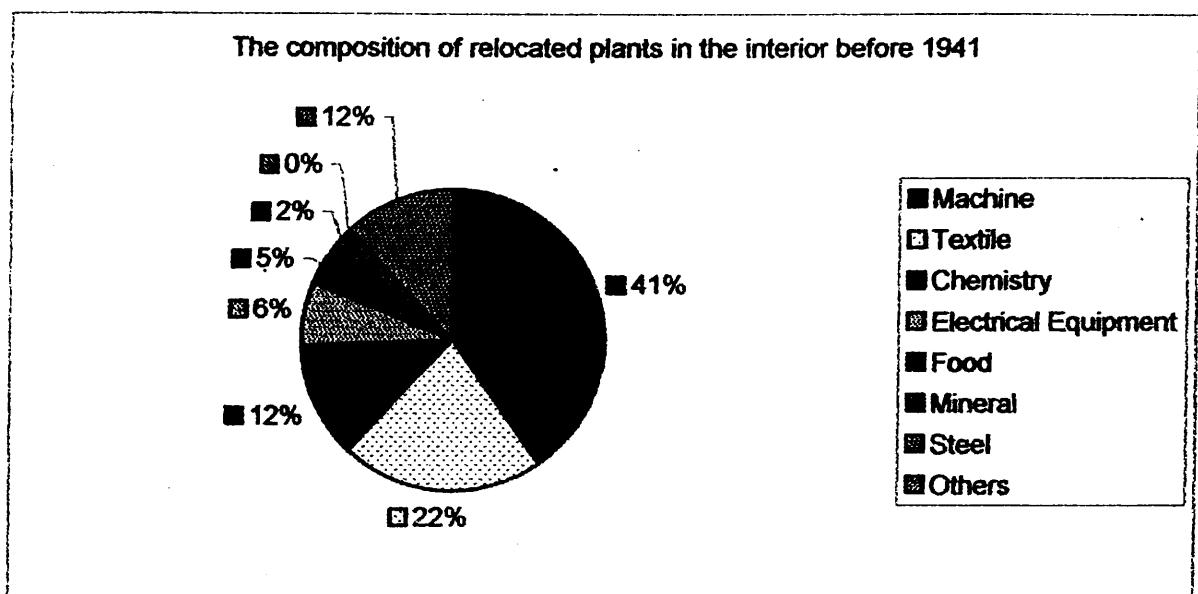
The GMD government at first restructured the administrative system to improve the efficiency of the government in wartime. The Military Committee 军事委员会 became the top organ of the central government and controlled all affairs with the war through its subordinate organs. Under this committee, after merging and absorbing other organs, the Economic Ministry 经济部 was the top government organ that managed industry and agriculture. At the same time, the Finance Ministry 财政部, the

Transportation Ministry 交通部, and the Trade Adjustment Commission 贸易调整委员会 were the top organs responsible for national finance, transportation, and commerce respectively.³⁰

More prominent was the shift in the industrialization strategy of the GMD government. In February of 1939, the central GMD government decided at the Third Session of the National Senate 国民参政会第三次会议 that the regional policy of the government would focus on the interior of China, especially southwestern China. In its industrial policy, considering the limited resources that free China owned, the GMD government encouraged not only modern industry, but also the small industry with intermediate technologies, the handicraft industry, and rural industries.³¹

With respect to the method of industrial expansion in the interior that the GMD government used, one important move was its mobilization and relocation of the coastal industry to the interior. This mobilization started in August 1937, when the Commission For the Move of Shanghai Factories 上海工矿迁移监督委员会 was established to mobilize Shanghai private enterprises to relocate to the interior. But this mobilization did not seem to work well until the beginning of 1938, when most plants in Qingdao, Tianjin, and other important industrial cities that did not relocate quickly enough were seized by the Japanese. Facing this, Jiang Jieshi had to order twice in March and June of 1938 that important plants in eastern China must relocate to the interior as fast as possible, otherwise face destruction. As a result, about 500 private industrial plants (about 320 of them from Shanghai and Wuhan) in eastern China relocated to the interior.³² Most of these relocated plants were heavy and light industries related to war and everyday necessities. Among 418 plants that relocated to the interior before 1940, 168 were machinery plants, 54 belonged to the chemical industry, 28 produced electric and electronic products, and 92 were textile plants (Chart 4).³³

Chart 4: The composition of relocated plants in the interior before 1941



Source: Qin Xiaoyi (et al.), *Zhonghua Minguo Jingji Fazhan Shi* (*Economic Development History Of The Republic Of China*) (Taipei: Jindai Zhongguo Chubanshe, 1983), p. 627.

The relocated large-sized plants of heavy industry were concentrated in the southwestern provinces, especially Sichuan province. The plants relocated to the Northwest of China were often light industry and less in number and smaller in size (Chart 5).³⁴ Among 247 registered industrial plants in Shaanxi province in 1943, only 5 (Shenxin Mill in Baoji city, Dahua Mill in Xi'an, Caijiapo Mill and Xibei Machinery Plant of Yongxing Company in Caijiapo town of Baoji County, and the State-owned Tongguan Cement Plant in now Tongchuan 铜川 city) belonged to modern industrial plants according to current standard, which was that the plant should be valued at more than 5 million yuan and use above 500 hp powers.³⁵

The GMD government also issued a series of policies, such as the low-rate loans, technical support, the assistance with logistics, to attract the investors in eastern China and overseas to invest in the interior.³⁶ In addition, the GMD government itself also got very actively involved in the industrial establishment. The industrial investment of governmental increased from 0.206 billion yuan to 1.3 billion yuan during 1937-45, while private investment dropped from 1.17 billion yuan to only 0.5 billion yuan.³⁷ By 1943, 656 state-owned enterprises accounted for about 69% of total national capitalization.³⁸

Chart 5. Relocated private industrial plants in the interior before 1942

Destination	Sichuan 四川	Hunan 湖南	Guangxi 广西	Shaanxi 陕西	Other provinces
Machinery and Metal	55	58	8	3	19
Chemical	21	6	2		9
Textile	11	28	1	12	7
Electric	7	7	1	1	5
Print	23	1	2		5
Glass and	5	4		1	1
Mineral	4	3			
Grain	7	3		2	7
Other	9		1		2
Total	142 (250)	110 (121)	15 (25)	19 (43)	55 (312)

Source: Chen Hezhang and Shen Leichun, *Zhongguo Zhanshi Jingji Zhi: 1941*, chap. 4, pp. 63-4. The number in bracket came from Tan Xihong (et al), *Shi Nian Lai Zhongguo Zhi Jingji: 1936-1945*, p. 38.

All these wartime policies industrialized the interior quickly. Registered modern industrial plants in the interior jumped from about 200 in pre-war to 4,200 (including about 500 relocated plants) in 1945. Sichuan was the biggest beneficiary of this development, and owned 44% of all industrial plants in free China. Following it was Hunan 湖南 province (13%), Shaanxi province (10%), Guangxi 广西 province (7%) and Yunnan 云南 province (2%).³⁹ Within this development, heavy industry (mainly chemical, electronic, and machinery) played an important role, especially in the Southwest.⁴⁰

Besides modern industry, other traditional industries, especially hand weaving, also developed quickly in the Guanzhong Plateau under the government's encouragement. During wartime, the Guanzhong Plateau was the only area with cotton plantations in all of free China, and many skilled hand-weaving workers and some modern mills moved there.⁴¹ Having gathered both the necessary productive materials (cotton and yarn) and skilled labor, the government actively established special training schools and workshops, offered newly designed looms to weavers, and organized special associations to absorb local women and refugees for production and marketing to improve efficiency and profits, and to develop this cottage industry.⁴² By 1941, the Guanzhong Plateau had 900 relatively large hand weaving workshops and plants with about ten thousand looms.⁴³

One important part of the development of the handicraft industry in Baoji city and other cities in the interior was the Chinese Industrial Cooperatives Campaign (CIC, or “gung-ho”) that was launched by some foreigners and Chinese, and received supports from the GMD government. This campaign managed to organize wartime refugees for handicraft production in order to provide jobs for them.⁴⁴ The structure of the CIC was three-tiered from bottom to top: all kinds of handicraft associations, four regional offices, and the main CIC.⁴⁵ Baoji city was the seat of the Northwestern Office of the CIC, and the starting point for this campaign where the first four CIC associations were established there in August 1938 to provide jobs for 400 skilled female weavers from Wuhan and other skilled refugees and students. The CIC associations spread quickly across free China, and were even established in some occupied areas. The associations of CIC in the northwestern region in 1945 increased to 2,000 associations, and offered job for nearly 200,000 unemployed. At the end of September 1939, Baoji County had 104 CIC associations with 1,076 members (after the 1940 readjustment, it still had 64 associations with 2,243 members).⁴⁶

In order to guarantee the sufficient supply of grain to sustain the population and economic crops for industry, the government also tried hard to improve agricultural production. The Agriculture Development Commission 农业发展委员会, the Central Agricultural Experiment Center 中央农业试验中心 and the Innovation Center of Agriculture 农业改进所 established their branches in the interior to improve seed varieties, control pests, spread new techniques and dead stock, and maintain and develop irrigation system.⁴⁷ On the Guanzhong Plateau, the government expressly encouraged the planting of cotton and tung oil 桐油, because the former was greatly needed by textile industry in the interior, while the latter was an important export traded in exchange for armaments with the US and the Soviet Union. As well, irrigation systems on the dry Guanzhong Plateau were developed better than before, and in 1941 10 old irrigating canals were recovered and in use.⁴⁸

In marketplace, the government tightened its control over all kinds of important resources to assure production for war needs. With the issue of “The Management Regulations of Agriculture, Mineral, Industry and Commerce In Urgent Time 非常时期

“农矿工商管理条例” in December of 1937, government monopolized through its specialized organs and companies the trades of cotton, silk, fiber, fur, metals and their products, daily necessities, materials and products for construction, electricity and machinery, and so on. These monopolies were called ‘unified purchase and unified sale 统购统销’, and this policy finally was widely used by the CCP government after 1949. For example, cotton, yarn and cloth were monopolized by the Management Bureau of Cotton, Yarn and Cloth 花纱布管理局, while trading in tea, tung oil, and bristles was monopolized by the state-owned Fuxing 复兴 Company, and some important minerals were under the charge of the Resource Commission after 1938. As for the inter-provincial trades of important daily necessities and other goods, the central and provincial governments established special organs to stabilize the prices of daily necessities and balance this inter-provincial circulation.⁴⁹ In addition, the government also took other measures to control the market, such as fixing prices of important goods and materials, safeguarding China’s currency, strengthening the power of state-owned banks, and building many guilds to supervise economic organizations.⁵⁰

The GMD government also extended its control to the transportation. The “Provincial General Department of Vehicles 省汽车总队部” (after 1940 the Management Center of Communication 交通管理站) organized private vehicles in all provinces of free China into teams and stationed them in important transportation centers to be available for transport according to the government’s plans and needs. Furthermore, from 1939 on, the traditional form of “yiyun 驿运” was used by the government to organize all kinds of private animal and man-drawn vehicles to carry the international and inter-provincial freight. In the northwestern region, the transportation on regional highways was managed by the Northwest Transportation and Highway Bureau 西北营运路局 (after 1940 renamed as the Transportation Arrangement Department 交通指挥部), while the yiyun on the Sichuan-Shaanxi Road was managed by the Sichuan-Shaanxi Animal-Drawn Transportation Bureau 川陕车驮运输所, one of 8 Animal-Drawn Transportation Bureaus of the Communication Ministry in free China, and both of these two organs were based in Baoji city. The

Northwest Transportation and Highway Bureau in September 1939 managed all 120 private automobiles in Baoji city and other private automobiles in Xi'an city and other cities. The Sichuan-Shaanxi Animal-Drawn Transportation Bureau managed about 500 jiaolun dache 胶轮大车 (a kind of animal-drawn vehicle) and 200 rickshaws to freight about 300 tons over 50 thousand kilometers per month in 1939, and in 1941 had 2,600 jiaolun dache, 800 other kinds of "xu li che 畜力车" (animal-drawn carts) and 1,000 rickshaws, with a freight capacity of 5,000 tons over 1.6 million kilometers per month.⁵¹

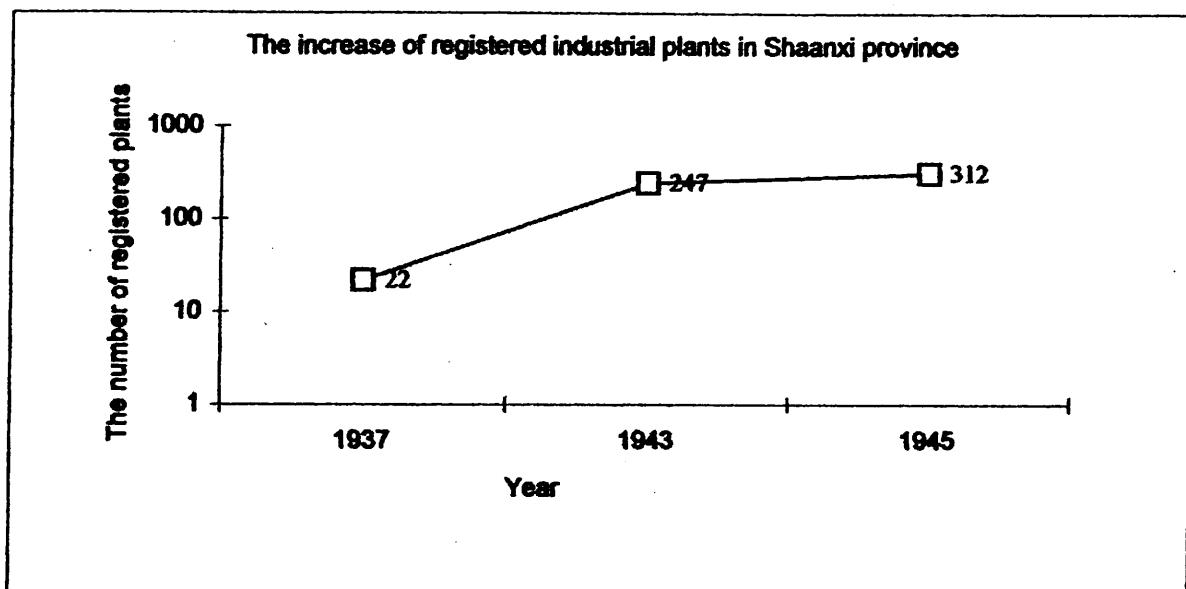
But the tight controls of the government on the economy also had its negative effects. For example, even though there was very serious inflation in free China during the latter years of the war, the government still fixed the prices of cotton, yarn and cloth. This policy severely hurt the planting of cotton and the textile industry. The annual production of cotton in Guanzhong Plateau dropped from above 1 million dan 担 before 1942 to about 0.42 million dan in 1944 and 0.52 million dan in 1945,⁵² and as well the number of large textile workshops and plants in the Guanzhong Plateau dropped to about 500, with a production of only 180,000 pi (匹, unit of length, one pi is equal to 13.2 meters) per month in 1944.⁵³

B. Baoji city in wartime economy during 1937-45

During 1937-45, Baoji city became one of the most important cities in the transport network of free China, because it was at the juncture of three most important travel and transport lines: the Longhai Railroad, the Sichuan-Shaanxi Road, and the Northwest International Road. The Northwest Road and Sichuan-Shaanxi Road had been very important highways before 1941. These two roads were responsible for the transportation of 250 million US\$ goods exchanged between China and the USSR, the largest volume of trade that the GMD government had before 1941 and lasted from 1938 to 1941.⁵⁴ The Sichuan-Shaanxi Road was the freight route between northwestern and southwestern China. Along this road, for example, every year above 0.5 million dan 担 cotton from the Guanzhong Plateau (the only cotton planting area), a large amount of petroleum products of Yumen 玉门 Petroleum Field of Gansu

province (the only civil supplier of petroleum) and fur of the northwest were shipped to southwestern China.⁵⁵ As a result, the transportation matured quickly in Baoji city. Automobiles in Baoji city increased from zero before 1937 to more than 100 in 1946, and the companies of animal- and man-drawn vehicle increased from no more than 10 with 200 vehicles to 18 with 1,000 vehicles. The motels along Sichuan-Shaanxi Road also increased from less than 10 to more than 30 in 1946.⁵⁶

Chart 6. The increase of registered industrial plants in Shaanxi province



Source: Numbers of 1937 and 1945 came from Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi* (*Historical Records of Shaanxi Province: Planning*) (Xi'an: Shaanxi Renmin Chubanshe, 1995), p. 106; the number of 1943 quoted from Vermeer, *Economic Development in Provincial China*, p. 392.

Note: A plant that was registered by the government should meet at least one of the following three conditions: more than 30 employees, mechanized production, capital larger than 10,000 yuan. Mines are excluded.

Another important change for Baoji city was its quick industrialization. During this period Shaanxi itself hosted almost 200 new industrial plants (see Chart 6), and among these Baoji city was home to 50 new plants and factories by 1945, up from zero in 1936.⁵⁷ This quick industrial increase in Baoji city and other nearby towns was pushed forward mainly by the relocation of industrial plants from eastern China due to Baoji's easy access to modern transportation, the sufficient supply of cotton, and the relatively safe geographic location. Among the 16 relocated factories with measurable size in Shaanxi province, 5 large and medium-sized industrial plants went to Baoji city (and another 9 located in Guozhen town and Caijiapo 蔡家坡 town of

Baoji County) and they were the largest plants in Baoji city. The 5 largest-sized relocated plants in Baoji city were: the Shenxin 申新 Mill and Fuxin 福新 Flour Plant of Shenu Group (the largest private industrial group owned by Rong 荣氏's family) from Wuhan of Hubei province in 1938, the Daxin 大新 Flour Plant (five relocated in Baoji city) from Henan province in 1938, the Longhai Railroad Locomotive Plant from Jiangsu province in 1937, and the Hongshun 洪顺 Machine Plant from Shanxi 山西 province in 1938. Shenxin Mill was the largest plant of the northwestern region, and Fuxin and Daxin Flour Plants were the largest flour factories in the northwestern region. The relocated small modern plants were the Shenxin 申新 Iron Works Plant (Hubei), the Minkang 民康 (Henan) and Taihua 太华 (Henan) Textile Plants, the Qinchang 秦昌 Match Plant (Henan) and the Taihe 泰和 (Henan) Cigarette Plant.⁵⁸

The industrialization in Baoji city was typical compared to other newly industrialized towns in the Guanzhong Plateau (perhaps except Xi'an). Even though the industrial plants in Baoji city were relative small and less mechanized when compared to the large-sized plants in the cities of Sichuan province and Chongqing city, some of them were the largest in Shaanxi and China's northwest, such as the Shenxin Mill, Fuxin and Daxin Flour Plant, the Longhai Locomotive Plant, the Hongwen Paper Plant (of Shenxin Group), and some match plants and textile plants. Furthermore, the machinery industry in Baoji city took a considerable share from the machinery industry of Shaanxi and the northwestern region. The Longhai-Railroad Locomotive Plant, Hongshun Machine Plant, and Shenxin Iron Works Factory were the largest ones in the northwestern region, behind only the Xibei Machine Plant of Yongxing 雍兴 Company in Caijiapo town controlled by the Bank of China. At the same time, some medium-sized plants also had their own machinery workshops, such as Daxin and Fuxin Flour Plants, Taihua Textile Plant.⁵⁹

The handicraft industry also increased rapidly in Baoji city. Handicraft workshops and plants in Baoji city grew from 34 with 130 workers by 1936 to 880 with 3,000 workers.⁶⁰ Textile industry (semi-mechanized and hand weaving) developed most quickly, from almost zero before 1937 to 300 hand weaving associations and plants with 2,000 looms and 3,000 workers in 1945. Most of these

associations and plants were small ones with often two or three looms, but some of them were the largest ones in the Guanzhong Plateau (the 11 largest ones altogether had 571 workers).⁶¹ In addition, from the prior reference to the CIC, we know that the CIC associations also increased quickly in Baoji city.

As a result, urban commerce in Baoji city flourished in this period. During 1937-46, the gross business value of Baoji city jumped by 10 times, and the number of large commercial companies and shops increased from about 300 to 1,221, with 1,375 small market stalls. But because of the government's control on commerce and material circulation and the lack of capital, private commercial enterprises and handicrafts served mostly only local needs and were often small in size. Yet, at the same time, specialized commercial zones were also formed. Zhongshan Street 中山街 of Xiancheng town was the high-class commercial center, while small handicraft workshops, small commercial shops and stalls were concentrated in three big markets – Jianguo 建国, Quanye 劝业, Zhongxin 中心 – in two newly formed urban towns of Baoji city, Xinshi 新市 and Weibin 渭滨 towns.⁶² This commercial prosperity and industrial development also promoted the emergence of a modern banking system in Baoji city. All four biggest banks of China (the Central Bank, the Communication Bank, the Bank of China, the Peasant Bank) and twelve other banks established their branches in Baoji city by 1945.⁶³

By 1945, Baoji city had became an important industrial and commercial center for China's northwest. The guilds of trade, handicraft, and industry, etc., which acted as one measure of the government to manage private enterprises, increased in Baoji city from one before 1937 to 17 in 1940, to 22 in 1941, to 40 in 1946 and finally reached a total of 42 guilds with 1,324 members in 1949.⁶⁴ At the same time, 20% of the industrial capacity of Shaanxi province was produced in Baoji city, second only to Xi'an city that had 55% of the province's total industrial capacity.⁶⁵ Following this economic prosperity, Baoji city won higher political status in 1940. It replaced Fengxiang city as the seat of Shaanxi Ninth Administrative Inspectorate and the garrison headquarter of this prefecture.⁶⁶

C. Baoji city in 1945-9

By the end of WWII, the GMD government designed a simple regional policy for the northwest mainly for defense against the possible invasion of the Soviet Union. In this plan, Xinjiang 新疆 was the first defense front, and Gansu 甘肃, Qinghai 青海, Ningxia 宁夏 were the second. Shaanxi was designed as the hinterland to support the first and second fronts. Xi'an was treated as the capital of the whole region, while Yulin 榆林 town in north Shaanxi and Tianshui 天水 city in eastern Gansu province were regarded as two strong points to help Xi'an to control Ningxia and Gansu provinces.

Considering the need for economic security in this region, the GMD government centered on the development of some basic light industries like textile, flour industry, meat-milk industry, and heavy industries serving them, such as machinery for light industry, electricity, cement, fertilizer industry, salt, petroleum industry, and steel industry. Baoji was designed as one regional center for the textile, flour industry, and machinery industry.⁶⁷

But this regional plan had no chance to turn into reality because of the big economic and political changes in China after 1945. The liberation of eastern China from Japan not only made industries in western China lose out in markets because of the strong competition from the restored eastern provinces, but also saw many relocated enterprises and in-migrated skilled employees in the interior return to their hometowns.⁶⁸ For example, 8 machinery plants in Shaanxi (not including plants in Baoji city) and 100 plants in Chongqing of Sichuan province relocated back to eastern provinces and about 100 machinery plants in Chongqing had to stop operation because of the return of many of the in-migrated workers to their hometowns.⁶⁹ The civil war between the CCP and the GMD during 1946-49 also damaged the urban economy of Baoji city. After the People's Liberation Army (PLA) of the CCP occupied and then abandoned Baoji city in 1948, three of the largest automobile companies and other companies and plants relocated to the southwestern provinces to avoid the new battles and controls of the CCP.⁷⁰ And as Eduard Vermeer argued the

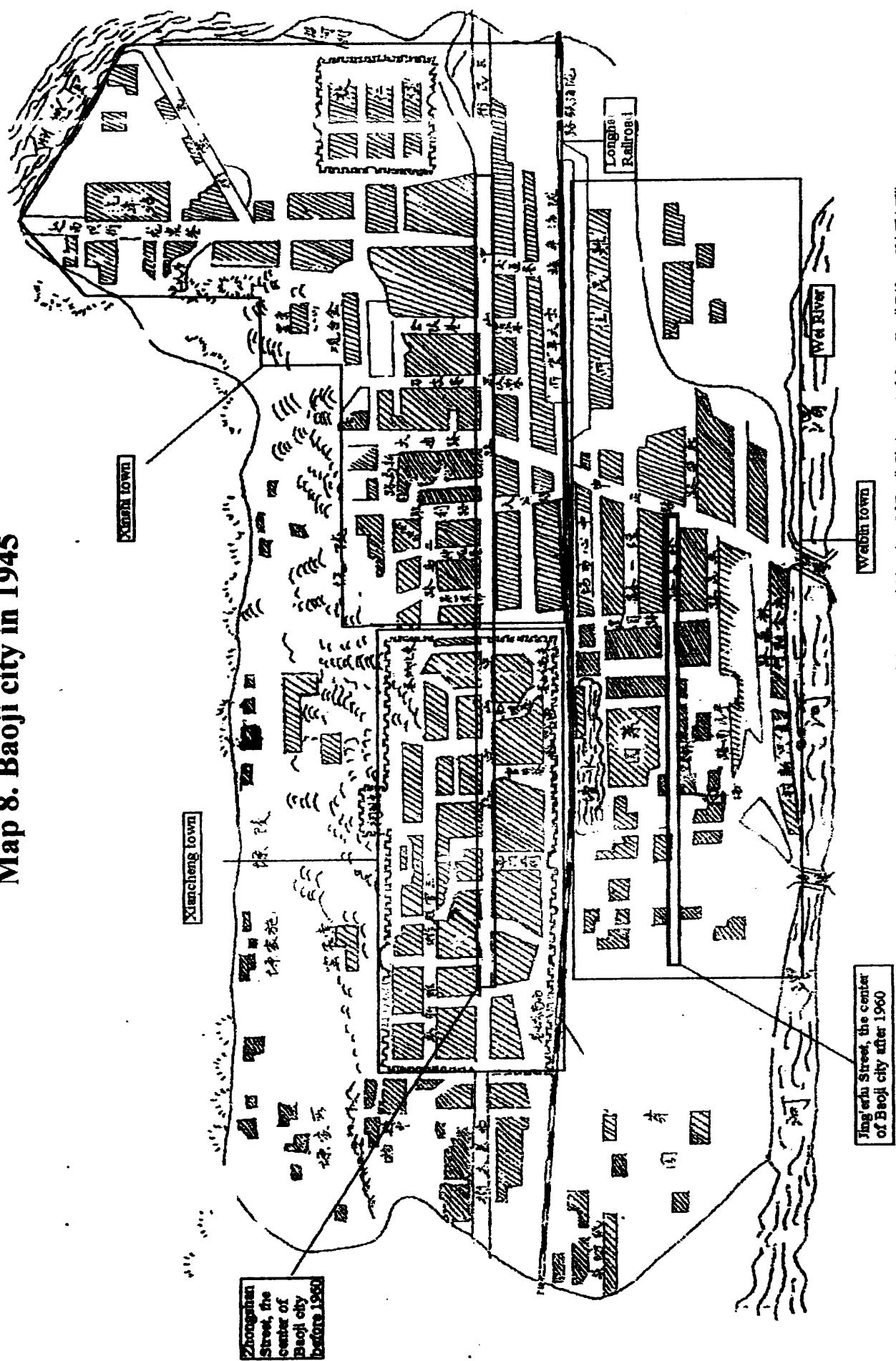
posting of many troops by the GMD government in Baoji city and other cities of Guanzhong Plateau to fight with PLA also put a heavy burden on these cities.⁷¹ Finally, the urban economy of Baoji city suffered from the inflationary policy and other economic policies of the GMD government. As a result, branches of six banks were closed, the number of the CIC associations dropped from 108 to 23 associations with only about 500 workers. But urban commerce changed little. Compared to the 1211 commercial shops and 1375 market stalls in Baoji city in 1946, they were 1894 and 1341 respectively in 1949.⁷²

III. The in-migrants and urban society of Baoji city in 1937-45

During 1937-49, Baoji city changed greatly. Its urban area expanded from one town (Xiancheng 县城 town) to three towns (adding Weibin on the north bank of the Wei River 渭河 and Xinshi) in 1945, and then to four towns in 1949 (adding Shilipu 里铺 on the east of Xiancheng town) (see Map 8).⁷³ At the same time, the population of Baoji city (including urban and suburban population) increased from about 13,000 of Xiancheng towns, to 37,401 of the three towns in 1945, and then to 98,333 of the four towns in 1949.⁷⁴ This quick urban development of Baoji city was in all aspects strongly connected with the huge population migration from eastern China towards the interior during this period.

Concerning the wartime population migration from the eastern to western China, as I discussed in the literature review, there were two different views towards the composition of the migrants. One school assumed most of the migrants were urban residents, who migrated to the interior during the late 1930s when eastern China was occupied.⁷⁵ This view was supported by some current literature. For example, one survey of the Resource Commission in 1941 said that until then more than 20,000 technicians and 12,000 skilled workers moved into the interior. From Shanghai, 2,000 skilled workers moved westwards.⁷⁶ Nationwide, about 100 thousand people moved in response to the relocation of industrial enterprises from coastal to inland areas.⁷⁷ But another school argued that large numbers of rural refugees from the North of China 华北 (especially Henan province) also joined this migration because of a series

Map 8. Baoji city in 1945



of man-made and natural disasters there.⁷⁸

Source: Baoji Daguan (The General Situation Of Baoji City), quoted from Baoji Difeng Shu Zhi Ziliao Leidian (Baoji: 1987, printed by Baojishi Shehuo Fusi Xinhuacheng), p. 1

When we found both sides could not explore this field further and had no special case studies, it became clear that a look at the in-migrants in Baoji city will reveal useful information on some important topics, such as the nature of this population migration (permanent or temporary), the relation of this migration with the government's wartime policy (relief policy, regional and industrial policy), the composition of migrants, the social influence of this migration on destination, and so on.

A. The population migration towards Baoji city in 1937-49

One question should be asked first: to what extent could the quick demographical increase in Baoji city be regarded as the result of the wartime population migration? In the case of Baoji city, we find that in the population statistics of local government, three terms were used to define different groups of urban residents: residents with native origins 本籍, those with non-native origins 外籍, and temporary population 暂居人口 (people who lived there only temporarily). Because it seemed that the division between native and non-native residents was based on the provinces, not prefecture or county, it was clear that the residents with non-native origins and most temporary population were in-migrants to Baoji city. This part of the residents in Baoji city shows the proportion of in-migrants. Even though He Bingdi thought the population statistics in this period were unreliable due to many technical problems of statistics and the low efficiency of the statistic system of the GMD government,⁷⁹ I still believe these statistics can illustrate some important trends of demographic changes, even though they are inexact and controversial.

It was said that in 1937, Xiancheng town of Baoji city only had 6,000 or 7,000 urban residents. But by 1945, Xiancheng, Xinshi and Weibin towns had 37,401 urban residents composed of 32,215 non-native residents, 3,320 temporary residents, and only 5,168 native residents. Considering that non-native residents concentrated in newly formed Xinshi and Weibin towns (26,826 non-native residents vs. 1,840 native-residents), and these two new towns were former wastelands of the Wei River where few native residents lived, we can be sure that the urban expansion in

geography and urban population increase of Baoji city during this period was the result of a large in-migration.⁸⁰ Even in 1949, 58,000 non-native residents still composed the dominant part (58.7%) of the total urban and suburban residents (98,333). More specifically, it was said that 78% of non-native residents were in-migrants from Henan province, so Baoji city was also called “small Henan 小河南”⁸¹.

We found the directions and routes of this population migration were also strongly influenced by government policies. Government's mobilization to relocate industrial plants, government's organs, schools and universities to the western provinces definitely decided the directions, routes and destinations of the migration of these organizations' employees and members. Furthermore, the government's relief policies for wartime refugees, especially for the rural refugees from northern China created by the flood of Yellow River in 1938 and the drought of 1943-4, also had the same effects. Faced with huge number of refugees created by war and disasters, the Relief Commission of the GMD government divided areas in central and western China into 8 Relief Areas 赈济区 (two were in Shaanxi province) to receive the refugees. This commission also established 18 Refugee General Stations 难民遣送总站 in cities with easy access to transportation (Baoji city was one station) to transfer refugees. This arrangement made the number of urban and rural refugees (especially from neighboring Henan province) in Baoji city and other cities in the Guanzhong Plateau swell during 1937-9. Other relief policies of the government, such as organizing refugees to reclaim the wastelands in Shaanxi and to work in the CIC associations and special plants for refugees in the northwestern region, also attracted many people who migrated to this region.⁸² All these relief policies still worked in the 1940s and resulted in the continuous transfer of many refugees to the Guanzhong Plateau.

At the same time, once many in-migrants arrived in cities of Shaanxi, traditional personal relationships and networks would pull more people there. In my interview with the family of Mr. Huang, his wife told me that, after her homeland in Henan province suffered the Yellow River flood in 1938, her parents and family did not flee

to Shaanxi like other people in the same place did, but moved to nearby places in Henan province to rent land. When the drought happened and pest infestation began there in 1943-44, her family had to abandon their rented lands, and migrated to the northern suburb of Baoji city where some relatives and friends already had been living for several years.⁸³ In this regard, the initial relief arrangement of the government influenced the subsequent migration directions and routes.

The above descriptions revealed that at least in Baoji city, the in-migrants were composed of both urban and rural residents from eastern China. This composition also implied that the process of in-migration in Shaanxi during the wartime was wave-like in response to the progress of the war and the socio-economic situation in occupied areas. The fall of many areas to the Japanese and the Yellow River fold in the north at the end of the 1930s created the first wave of population in-migration toward Shaanxi along the Longhai Railroad. Besides many in-migrants that flowed to the western Guanzhong Plateau, many refugees stayed in the areas of eastern Shaanxi. During 1943-44 when Henan and other eastern provinces faced drought and pests, a huge new tide westward of about 3 million environmental refugees began. But this time the destination changed a little, because the Japanese army occupied Henan province in 1944 and then bombed the eastern border of Shaanxi. New in-migrants, with old in-migrants stationed in eastern Guanzhong Plateau, had to migrate to Xi'an, Baoji and eastern towns of Gansu province for safety.⁸⁴

B. The population migration and urban society of Baoji city

A general picture about the important role of in-migrants in the urban economy of Baoji city can be drawn according to the occupational statistics on Baoji County compiled by the GMD government in 1945. From Chart 7 (see below), we find that native males were concentrated in agriculture (74%), or unemployed (14%), civil service (staff of government) (7%) and commerce (4%), while native females mainly were engaged in the service industry (83%), or were unemployed (16.6%). The situation of non-native males was quite different, for the most popular occupations of non-native males were commerce (54%), civil services (10.8%), industry (8.1%), or

were unemployed (11.4%). Employment for non-native females was very similar to native females: services (87.3%), or unemployed (9.2%). From the view of occupations, the non-natives predominated in almost all types of possible urban occupations. Non-native males won the lion's share in transportation (91.3%), free-lance occupations (85.3%), services (83.3%), commerce (79.3%) and industry (74.5%), while native males were employed mostly in civil services (70.2%). Except in services, non-native females also predominated in public services, free-lance occupations, industry and commerce, and shared 97%, 95%, 94% and 82% respectively.⁸⁵ Considering that the non-natives concentrated in the urban areas of the County, even though this survey had no clear divisions between the urban and rural commerce, industry, free-lance, and civil services, it is still plausible to say that in-migrants played a more dominant role in urban occupations than native workers.

Chart 7: Occupational distributions of natives and non-native labor (between the age of 14-60) in Baoji County in 1945

Labor between age of 14-60	Sexuality	Native labor		Non-native labor	
		Male	Female	Male	Female
	Total	70,196	68,869	18,614	13,128
Occupations	Agriculture	51,872	98	126	8
	Mining	6		3	
	Industry	504	7	1,515	120
	Commerce	2,609	23	10,028	105
	Transportation	164		1,720	14
	Public service	4,746	2	2,013	26
	Service	54	57,247	270	11,462
	Free-lance	110	4	637	84
	Others	45	6	173	7
	Unemployed	10,086	11,481	2,129	

Source: "Minguo 34 Nian Hukou Tongji Baogao Biao (The report about household statistic of Baoji County in 1945)" in Baoji Difangzhi Bianzhuan Weiyuanhui (ed.) *Baoji Difang Shizhi Ziliao Xuanbian (The Material Collection Of Local History In Baoji)*, p 50.

The in-migrants contributed decisively to the industrial development of Baoji city. One proof was that the managers, staffs and skilled workers who were the part of the relocation of the largest industrial plants and some medium-sized plants in Baoji city were all in-migrants. These in-migrants guaranteed the normal operation of these plants. Meanwhile, non-native capitalists also actively established small industrial or

semi-mechanized plants, especially small textile factories. For example, the influential textile plants as Housheng 厚丰, Hengfeng 恒丰, Lifeng 利丰, and Zhongxing 中兴, Xiangkang 祥康, Xinkang 新康 (belonged to senior officials of Shenxin Mill), Northwest 西北 (managed by military officials), were all established by the investors from Henan, Shanxi, Shandong and other provinces.⁸⁶

The decisive role of in-migrants in modern industry can be illustrated in the case of the largest plant of Baoji city, Shenxin Mill. Dozens of managers and staff of this plant came from Wuxin 无锡 of Jiangsu province, the homeland of the powerful Rong family. About 140 senior workers came from Wuhan of Hubei province.⁸⁷ By the end of 1942, this plant had 3,347 ordinary workers (41.7% were male and 37.6% were child workers), and 80% of the workers were in-migrants from Henan province.⁸⁸ One of my interviewees Mr. Huang originally from Henan province, said that when he worked in the Shenxin Fourth Mill in 1945 as a child worker, most of workers in that plant were refugees from Henan province. The interview with Mr. An whose mother was one worker from the same mill also supported this point.⁸⁹ In another small plant of the Shenfu Group, the Hongwen Paper Plant, one interviewee Mr. Cao, who was a relative of the Rong family and the accountant of this plant, told me the situation of this plant was very similar.⁹⁰

The dominant role of in-migrants in the industries of Baoji city was related closely to the traditions and local culture of Shaanxi province. Without a vast understanding of and experience in the modern economy, many native rich men often invested in commerce and real estate. On the other hand, several elements prevented the rural poor labor from joining the proletariat. Take the Shenxin Mill for instance. This plant once tried to recruit native females as ordinary workers, but few responded because of the traditional customs like bound feet and traditional objection to women going out of the home for work. Even if some native women wanted to earn wages, they found they could not live up to the regulations and disciplines in the industry and the collective life with workmates such as bathing everyday and living together with others and so on. In the end, this plant had to go first to Sichuan to recruit female refugees from the eastern China who could adapt to this life, and then recruited male

refugees and their children from Henan province.⁹¹ This was also the case of Dahua 大华 Mill in Xi'an, the first modern industrial plant in Shaanxi province, as Vermeer pointed out this plant also had to recruit female workers from other provinces.⁹²

In-migrants also dominated the urban semi-mechanized industry and handicraft industry. In the most developed textile industry in Baoji city, most capitalists came from other provinces, especially from Shandong with its long tradition of hand weaving.⁹³ Concerning the handicraft industry, post-1949 information is relevant. At the beginning of the PRC, for example, of the seven “famous handcraftsmen” in Baoji County selected by the government were composed of four from Henan province, two from Zhejiang and Jiangsu province, and only one was native. Likewise, among eleven “prominent workers in handicraft sector” in Baoji County from 1962 to 1985, four had Henan origins, three had Hubei origins and two had Hebei and Sichuan origins, and only two were of native origin (both from Fengxiang County of Shaanxi province). Among 28 “prominent individuals of Baoji County” in the light industry (part of the handicraft industry) during 1962 to 1985, eleven were from Henan, ten from Anhui, Jiangsu, Zhejiang, Hebei and Shandong, and only six of them were native residents, of which only two had Baoji origins.⁹⁴ As to the CIC associations, for its relief functions, most of their members were skilled refugees from other provinces. Three big markets of Jianguo, Quanye, and Zhongxin were built by people from Henan province, and the largest transportation company, Yongtai 永泰 Vehicle Company, also belonged to Henanese. In service and entertainment, capitalists from Hebei province established the most famous Dazhong 大中 Cinema (the first one in Baoji city) and the Dazhong Bathhouse. The largest Qinchang 秦昌 Match Plant resulted from investment by capitalists from Shanxi province.⁹⁵

In urban commerce, it was said that all the tradesmen could be generally divided into three groups: the Fengxiang group, the Xi'an group and the Henan group. Among them the Fengxiang and Xi'an groups were more powerful in the wholesale trade, because the earliest wholesale companies in Baoji city were those relocated from Fengxiang and Guozhen town during 1936-37 when the Longhai Railroad was extended to Baoji city.⁹⁶ These two groups also were very important to the grain trade

with local peasants and real estate due to their earliest arrival in Baoji city. What non-native merchants played the dominant roles in were the grain supply to the army because of their special relationship with government and those flour plants, and the gold and silver trades. Of 7 silver shops with detailed information, 4 came from Henan province, 2 from Jiangxi province and one from Hebei province.⁹⁷ In-migrants also dominated the sale of second-hand goods, small commerce, and the entertainment (cinema, bathhouse industry), services (rubbish gathering, rickshaw, bath rubbing, attendants, barbers, prostitution, and so on). For example, in-migrants established about 300 stalls in the Central Market of Weibin town to engage in trades like sewing, Chinese medicine, grocery, photo-taking, ironware, bamboo-ware, collecting second-hand goods, and so on.⁹⁸ Of doctors trained in western medicine doctors after 1937 in Baoji city, 56% of 109 doctors in 1945 came from Henan, Hebei, and Shanxi, etc., while only 4% were natives.⁹⁹

Conclusion

Before the 1930s, Baoji city had been only a small and traditional city in Shaanxi province, whose importance in national transportation was only realized in wartime. The economy of Baoji city and its rural areas were adversely affected by the natural disasters and political disorders. From the 1930s, the specialization of the agricultural production in Guanzhong Plateau, the political unification of Shaanxi province into China by the Nanjing National Government, and the expanded transportation infrastructure by the Guomindang government, made Baoji city a vital juncture of the national transportation networks.

The outbreak of the Chinese Anti-Japanese War in 1937 and the loss of administrative control in eastern and middle China made the interior and its industry become the center of the GMD government's wartime policies. The government tried hard to develop the inland industry with its methods of industrial relocation, favorable policies, direct involvement in industrial establishment, and so on. In this new circumstance, Baoji city became more important in transportation because of its key position in the transportation of western China, and quickly developed into an

important industrial base in the northwest of China.

This quick development of Baoji city also resulted from the huge population migration from eastern China to the interior that was caused by the war, the industrial relocation, the industrial development of the interior, and the natural calamity in eastern China. The in-migrants in Baoji city not only brought capital, advanced management experiences, and industrial skills, but also prepared the proletariat for the modern industry. Only with the arrival of these in-migrants, could the modern economy develop quickly in the traditional and conservative circumstances of the Guanzhong Plateau. These in-migrants were also very important to the urban society of Baoji city. As the largest proportion of urban residents in Baoji city, it was clear that in-migrants dominated in almost all modern occupations. But the in-migrants did not cluster into self-identified social groups based on their original places, even though close relations existed among the people from the same original places.

What Baoji city experienced during 1937-45 was very important, because it foretold many characteristics of the urban development of the city after 1949, when the CCP government also wanted to quickly industrialize the interior for the consideration of military defense. In this regard, the development of Baoji city before 1949 offers us a historical vantage point to observe the events that unfolded after 1949.

Notes:

¹ Feng Hefa, *Zhongguo Nongcun Jingji Ziliao (Materials of China's Rural Economy)*, (Shanghai: Liming Shuju, 1933), pp. 768-9; Xu Tinghu, "Shaannan nonglin (agriculture and forestry in southern Shaanxi)", in Shaanxi Shiye Kaocha Tuan (The Group of The Industrial Survey on Shaanxi Province) (ed.), *Shaanxi Shiye Kaocha (The Industrial Survey on Shaanxi Economy)* (1934) (Taibei: reprinted by Wenhui Chubanshe, 1986), pp. 40-1.

² Feng Hefa, *Zhongguo Nongcun Jingji Ziliao*, pp. 768-9.

³ He Bingdi, *Mingchu Yijiang Renkou Jiqi Xiangguan Wenti: 1368-1953* (the Chinese version of The Study on Chinese Population) (Beijing: Sanlian Shudian, 2000), p. 290.

⁴ Wu Yong, 'The problem of material production and supply in the Northwest during wartime', *Xibei Ziyuan*, Vol. 3 no. 1, pp. 54-67, quoted from Eduard Vermeer, *Economic Development in Provincial China* (Cambridge: Cambridge University Press, 1988), p. 333.

⁵ Feng Hefa, *Zhongguo Nongcun Jingji Ziliao*, pp. 762-63. Li Demin and Zhou Shichun, "Lun Shaanxi jindai hanzai de yingxiang ji chengyin (a discussion on the reasons and influences of the droughts in modern Shaanxi)", *Xibei Daxue Xuebao (Journal of Northwest University)* (social science edition), No. 3 of Vol. 24, (1994), p. 70.

⁶ Xu Tinghu, "Shaannan nonglin", in Shaanxi Shiye Kaocha Tuan (ed.), *Shaanxi Shiye Kaocha*, p. 39.

⁷ Shaanxisheng Zhengfu (Shaanxi Provincial Government), "Tiyi Longhai qi xiduan shuru shuchu huowu yifen xingzhi guiding yunjia yi fazhan xibei gesheng shiye an (the proposal of regulating the classification of exporting and importing goods on the west of Longhai Railroad to develop economy of western provinces)", and "Longhai tielu Luoyang zhan yixi ge huoyun fei yi tebie jianqing'an (the proposal of the special discount of transportation fee from Louyang western-ward of Longhai Railroad)", Shen Longyun (et al), *Quanguo Tielu Shangyun Huiyi Huikan (1931) (The Document Collection of The Conference of National Railroad Transportation)* (Taibei: reprinted by Wenhui chubanshe, 1988), pp. 99-100 and 112-3; Shaanxisheng Jiaotong Shizhi Bianjie Weiyuanhui (The Editing Commission of Historical Records of Communication and Transportation in Shaanxi Province) (ed.), *Shaanxi Gonglu Yunshu Shi (History of Highway and Transportation in Shaanxi Province)* (Beijing: Renmin Jiaotong Chubanshe, 1988), p. 59.

⁸ Vermeer, *Economic Development in Provincial China*, p. 335.

⁹ Feng Hefa, *Zhongguo Nongcun Jingji Ziliao*, p. 143.

¹⁰ He Bingdi, *Mingchu Yijiang Renkou Jiqi Xiangguan Wenti*, p. 273.

¹¹ Feng Hefa, *Zhongguo Nongcun Jingji Ziliao*, p. 776; Vermeer, *Economic Development in Provincial China*, p. 32.

¹² Feng Hefa, *Zhongguo Nongcun Jingji Ziliao*, p. 146, 770; Li Demin and Zhou Shichun, “Lun Shaanxi jindai hanzai de yingxiang ji chengyin”, *Xibei Daxue Xuebao*, No. 3 of Vol. 24 (1994), p. 70.

¹³ Xu Tinghu, “Shaannan nonglin”, in Shaanxi Shiye Kaocha Tuan (ed.), *Shaanxi Shiye Kaocha*, pp. 37-40; Feng Hefa, *Zhongguo Nongcun Jingji Ziliao*, pp. 776, 782, and 785.

¹⁴ “Baoji chengqu shangye qingkuang jianji (the commerce in Baoji city)”, Zhongguo Renmin Zhengzhi Xieshang Huiyi Shaanxisheng Baojishi Weiyuanhui (The Committee of the People’s Political Consultant Conference in Baoji Municipality), *Jintai Wenshi Ziliao (Historical Sources of Jintai District of Baoji Municipality)*, Vol. 9 (1993), p. 36.

¹⁵ Xu Tinghu, “Shaannan nonglin”, in Shaanxi Shiye Kaocha Tuan (ed.), *Shaanxi Shiye Kaocha*, p. 37.

¹⁶ In reality Shaanxi was still under the control of Yang Hucheng 杨虎城, who was once a general of the warlord Feng Yuxiang, and was seen as alienate from Jiang Jieshi. At the same time, the CCP and its Red Army came to northern Shaanxi and built its root base.

¹⁷ Luo Jialun (et al.), *Xibei Jianshe Kaocha Tuan Baogao* (The Report of The Surveying Group on The Northwestern Construction) (1943) (Taipei: Academia Historica, 1968), p. 114.

¹⁸ Zhongguo Kangri Zhanzheng Shi Xuehui and Zhongguo Renmin Kangrizhanzheng Jinianguan (eds.), *Kangzhan Shiqi De Jingji* (Economy in The China’s Anti-Japanese War) (Beijing: Beijing Chubanshe, 1995), p. 67.

¹⁹ Jiang Mingqing (ed.). *Tielu Shiliao (Historical Materials of Railroad)* (Taipei: Academia Historical, 1992), pp. 190, 239, 252, and 649-652.

²⁰ Xiao Xinwu, “Shaannan gongshang (the industry and commerce in southern Shaanxi)”, in Shaanxi Shiye Kaocha Tuan (ed.), *Shaanxi Shiye Kaocha*, p. 411; Shaanxisheng Jiaotong Shizhi Bianxie Weiyuanhui (ed.), *Shaanxi Gonglu Yunshu Shi*, pp. 21-2.

²¹ Baojishi Gongshangye Zhe Zuzhi Zhi Bianxie Zu (The Editing Group of Historical Records Of Industrial And Commercial Labor Organization In Baoji Municipality) (ed.), *Baojishi Gongshangye Zhe Zuzhi Zhi (Historical Records of Industrial and Commercial Labor Organization in Baoji Municipality)* (Baoji: 1988, unpublished), p. 37.

²² He Mingchu, “Longhai tielu tong Baoji (Longhai Railroad extend to Baoji)”, Zhongguo renmin zhengzhi xieshang huiyi Shaanxisheng Baojishi weiyuanhui (The Committee of the People’s Political Consultant Conference in Baoji Municipality), *Baoji Wenshi Ziliao (Historical Sources of Baoji Municipality)*, Vol. 1 (1984), pp. 175-6.

²³ Baojixian Zhi Bianweihui (ed.), *Baojixian Zhi*, p. 163.

²⁴ Tan Xihong (et al), *Shi Nian Lai Zhi Zhongguo Jingji: 1936-1945(1945) (Chinese Economy in Recent Ten Years)* (Taipei: reprinted by Wenhui Chubanshe, 1974), p.22.

²⁵ Chen Zhen (et al.) (eds.), *Zhongguo Jindai Gongyeshi Ziliao (Historical Sources of*

Industry in Modern China), Vol. 4, (Beijing: Sanlian Shudian, 1961), pp. 95-7.

²⁶ Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi (1941) (The Records of China's Economy in Wartime)* (Taiwan: reprinted by Wenhui Chubanshe), chap. 1, p. 1; chap. 4, p. 75; Tan Xihong (et al), *Shi Nian Lai Zhi Zhongguo Jingji*, pp. 26, 29, 32.

²⁷ Zhongguo Kangri Zhanzheng Shi Xuehui (et al.) (eds.), *Kangzhan Shiqi De Jingji*, p. 257.

²⁸ Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 4, p. 57.

²⁹ Shaanxisheng Jiaotong Shizhi Bianxie Weiyuanhui (ed.), *Shaanxi Gonglu Yunshu Shi*, pp. 273-4.

³⁰ Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 1, pp. 5-6; Zhongguo Kangri Zhanzhengshi Xuehui and Zhongguo Renmin Kangrizhanzheng Jinianguan (eds.), *Kangzhan Shiqi De Jingji*, p. 253.

³¹ Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 1, pp. 8-9.

³² Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 4, pp. 60, 63-4; Tan Xihong (et al), *Shi Nian Lai Zhi Zhongguo Jingji*, pp. 23, 38; Zhongguo Kangri Zhanzhengshi Xuehui (et al) (eds.), *Kangzhan Shiqi De Jingji*, p. 257.

³³ Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 4, pp. 57, 65.

³⁴ Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 1, p. 4; Zhongguo Kangri Zhanzhengshi Xuehui (et al) (eds.), *Kangzhan Shiqi De Jingji*, pp. 257, 265-7.

³⁵ Luo Jialun, *Xibei Jianshe Kaocha Tuan Baogao*, p. 305.

³⁶ Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 1, p. 59, 61.

³⁷ Zhongguo Kangri Zhanzhengshi Xuehui (et al) (eds.), *Kangzhan Shiqi De Jingji*, pp. 265-7.

³⁸ Albert Feuerwerker, *Economic Trends in The Republic of China, 1912-1949* (Ann Arbor: Center for Chinese Studies, University of Michigan, 1977), p. 19

³⁹ Tan Xihong (et al), *Shinian Lai Zhi Zhongguo Jingji*, p. 23.

⁴⁰ Zhongguo Kangri Zhanzhengshi Xuehui (et al) (eds.), *Kangzhan Shiqi De Jingji*, pp. 265-7.

⁴¹ Liu Baorong, "Baoji zhibu hang fazhan jianshi (Historical records of textile in Baoji city)", *Baoji Wenshi Ziliao*, Vol. 1 (1984), p. 136.

⁴² Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 4, pp. 41-2.

⁴³ Guan Mengjue, "Shaanxisheng fangzhiye zhi weiji jiqi chulu (the crisis and resolution of Shaanxi textile industry)", *Gongye Yuekan* (Industry Monthly), Issue. 19 (Sept. 1943), p. 11, in Peng Zeyi (et al.) (eds.), *Zhongguo Jindai Shougongye Shi Ziliao (1840-1949) (Historical Materials of The Handicraft Industry in Modern China)* (Beijing: Zhonghua Shuju, 1962), pp. 312-13, 414.

⁴⁴ This campaign was initiated by Edgar Snow, Nym Wales, Rewy Alley, Song Qingling 宋庆龄, and so on.

⁴⁵ The general description of this campaign in Chinese see Hou Dechu, *Zhongguo Gonghe Yundong Yanjiu (A Study on Chinese Industrial Cooperation)* (Chengdu:

Sichuan Daxue Chubanshe, 1995); Lu Guangmian (et al.), *Huiyi Zhongguo Gonghe Yundong (Remembrance of The Chinese Industrial Cooperation)* (Beijing: Zhongguo Wenshi Chubanshe, 1997).

⁴⁶ Shaanxi Difangzhi Bianzhuan Weiyuanhui (The Editing Commission of Shaanxi Local History) (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi (Historical Records of Shaanxi Province: Textile Industry)* (Xi'an: Sanqin Chubanshe, 1993), p. 403; "Shaanxi difang jingji diaocha: Baoji jingji diaocha (the economic surveys on Shaanxi: on Baoji economy) (1941)", in Baoji Difangzhi Bianzhuan Weiyuanhui (The Editing Commission of The Local History of Baoji Municipality) (ed.), *Baoji Difang Shizhi Ziliao Leibian (The Collections of Historical Materials o Baoji Municipality)* (Baoji, 1987, unpublished), p. 306; Chen Xianqiao, "Xibei gonghe zai Baoji (the Northwestern CIC in Baoji city)", *Baoji Wenshi Ziliao*, Vol. 1 (1984), pp. 111-2. Yang Canzheng, "Gonghe zai Baoji (CIC in Baoji)", Zhongguo Renmin Zhengzhi Xieshang Huiyi Shaanxisheng Baojixian Weiyuanhui (The Committee of the People's Political Consultant Conference in Baoji County) (ed.), *Baojixian Wenshi Ziliao (Historical Sources of Baoji County)*, Vol. 2, p 76; Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chapter 4, pp. 87-96.

⁴⁷ Tan Xihong (et al), *Shinian Lai Zhi Zhongguo Jingji*, pp. 36-7; Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 4, pp. 41-2.

⁴⁸ Liu Youshen, "Shaanxi shougongye fangzhi shiye zhi gaikuang jiqi cujin jihua (the situation of hand-weaving in Shaanxi and its development policy)", *Gongye Yuekan (Industry Monthly)*, Issue 9 of Vol. 1 (Dec, 1944), p. 17, in Peng Zeyi (et al.) (ed.), *Zhongguo Jindai Shougongye Shi Ziliao*, p. 313; Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chap. 4, pp. 15-6.

⁴⁹ Tan Xihong (et al), *Shinian Lai Zhi Zhongguo Jingji*, pp. 43, 572-6, 1106-7; Zhongguo Kangri Zhanzhengshi Xuehui (et al) (eds.), *Kangzhan Shiqi De Jingji*, pp. 311-2.

⁵⁰ Tan Xihong (et al), *Shinian Lai Zhi Zhongguo Jingji*, pp. 40-41, 47, 516 and 1108.

⁵¹ Shaanxisheng Jiaotong Shizhi Bianjie Weiyuanhui (ed.), *Shaanxi Gonglu Yunshu Shi*, pp. 99-100, 115; Baoji Difangzhi Bianzhuan Weiyuanhui (The Editing Commission of The Local History of Baoji Municipality) (ed.), *Baojishi Zhi (Historical Records of Baoji Municipality)* (Xi'an: Sanqin Chubanshe, 1998), pp. 767-8 and 772-73.

⁵² Zhongguo Kangri Zhanzhengshi Xuehui (et al) (eds.), *Kangzhan Shiqi De Jingji*, p. 394; Vermeer, *Economic Development In Provincial China*, p. 337.

⁵³ Guan Mengjue, "Shaanxisheng fangzhiye zhi weiji jiqi chulu", in Peng Zeyi (et al.) (eds.), *Zhongguo Jindai Shougongye Shi Ziliao*, pp. 312-13 and 414.

⁵⁴ This Sino-Soviet exchange plan was to use the antimony, tin, tungsten, tea, leather, tung oil and so on produced in southwestern China to exchange the Soviet's armaments and modern vehicles. The second largest foreign loan to the GMD government was four loans amounted to 95 million US\$ offered by the US government. Zhen Youkui, *Cheng*

Linsun and Zhang Chuanhong, Jiuzhongguo De Ziyuan Weiyuanhui: Shishi Yu Pingjian (The Resource Commission in Old China: Historical Fact and Assessment) (Shanghai: Shanghai Shehui Kexueyuan Chubanshe, 1991), pp. 287-88.

⁵⁵ Liu Youshen, "Shaanxi shougongye fangzhi shiye zhi gaikuang jiqi cujin jihua", in Peng Zeyi (et al.) (eds.), *Zhongguo Jindai Shougongyeshi Ziliao*, p. 313; Chen Hezhang (et al.), *Zhongguo Zhanshi Jingji Zhi*, chap. 4, pp. 41-2; Qin Xiaoyi (et al.), *Zhonghua Minguo Jingji Fazhan Shi (The Developing History of The Republic of China's Economy)* (Taibei: Jindai Zhongguo Chubanshe, 1983), p. 629.

⁵⁶ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 767.

⁵⁷ Wang Jingwen, Zhang Liangming and Cheng Feng, *Baoji Gongye Fazhan Shi (History of Industrial Development In Baoji Municipality)* (Xi'an: Sanqin Chubanshe, 2001), p. 53.

⁵⁸ Ibid., pp. 40-1.

⁵⁹ Cui Zhiwen, "Baoji jixie gongye jianshu (a simple description of the machinery industry in Baoji city)", in *Baoji Wenshi Ziliao*, Vol. 11 (1994), p. 78.

⁶⁰ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 53.

⁶¹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, p. 53; Baojishi Di'er Qingongyeju (The Second Light Industry Bureau of Baoji Municipality), *Baojishi Di'er Qingongye Zhi (The Historical Records of The Second Light Industry in Baoji Municipality)* (Baoji: 1987, unpublished), pp. 159-160; Baojishi Fangzhi Gongye Bangongshi (The Textile Industry Office of Baoji Municipality), *Baojishi Fangzhi Gongye Zhi (Historical Records of Textile Industry in Baoji Municipality)* (Baoji: 1991, unpublished), p. 65.

⁶² "Baoji chengqu shangye", *Jintai Wenshi Ziliao*, Vol. 9 (1993), pp 37-8; He Mingchu, "Longhai tielu tong Baoji", *Baoji Wenshi Ziliao*, Vol. 1 (1984), p. 171; Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan (Hundreds Counties And Cities Social And Economic Surveys: Baoji)* (Beijing: Zhongguo Dabaike Quanshu Chubanshe, 1992), p. 29; Baojishi Gongshangye Zhe Zuzhi Zhi Bianxiezhu (ed.), *Baojishi Gongshangye Zhe Zuzhi Zhi*, p. 37;

⁶³ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, pp. 15-6.

⁶⁴ "Shaanhang huikan (1943) (the economic documentary collection of Shaanxi)", Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baoji Difang Shizhi Ziliao Leibian*, p 269; "Baoji chengqu shangye", *Jintai Wenshi Ziliao*, Vol. 9 (1993), p. 36.

⁶⁵ Luo Jialun (et al.), *Xibei Jianshe Kaocha Tuan Baogao*, p. 305; Vermeer, *Economic Development in Provincial China*, p. 392.

⁶⁶ He Mingchu, "Longhai tielu tong Baoji", *Baoji Wenshi Ziliao*, Vol. 1 (1984), pp. 175-6.

⁶⁷ Luo Jialun (et al.), *Xibei Jianshe Kaocha Tuan Baogao*, pp. 23-24, 28-29, 314-20.

⁶⁸ Shi Kuo-Heng, *China Enters The Machine Age: A Study of Labor in Chinese War Industry* (New York: Green Wood Press, 1968), p. xxi.

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- ⁶⁹ Tan Xihong (et al), *Shinian Lai Zhi Zhonguo Jingji*, pp. 278, 285 and 292; Luo Jialun (et al.), *Xibei Jianshe Kaocha Tuan Baogao*, p. 305.
- ⁷⁰ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 773; Shaanxisheng Jiaotong Shizhi Bianxie Weiyuanhui (ed.), *Shaanxi Gonglu Yunshu Shi*, p. 137.
- ⁷¹ Vermeer, Economic Development in Provincial China, p. 133.
- ⁷² Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 15-6; Yang Canzheng, "Gonghe zai Baoji", *Baojixian Wenshi Ziliao*, Vol. 2 (1984), p. 78; "Baoji chengqu shangye", *Jintai Wenshi Ziliao*, Vol. 9 (1993), p. 38.
- ⁷³ Baoji Xianzhi Bianweihui (ed.), *Baojixian Zhi* (1998), pp. 51-2.
- ⁷⁴ The number of 1937 and 1949 came from Xie Quanzhong, "Baoji shiqu de renkou bianqian (the population change in Baoji city)", *Baoji Wenshi Ziliao*, Vol. 8 (1991), p. 104; the number of 1945 came from "Shenglihou xiangzhen hukou diaocha (1945) (the household survey of urban and rural areas after the success of the war)" and "Baoji zuijin xiangtu zhi (1945) (recent records of Baoji County)", Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baoji Difang Shizhi Ziliao Leibian*, pp. 58-9.
- ⁷⁵ Chen Da, *Xiandai Zhongguo Renkou*, pp. 93-4; Jiang Tao, *Zhongguo Jindai Renkoushi*, pp. 270-71; Chen Chaoyun, "Kangzhsn chuqi de nanmin neiqian", *Kangri Zhanzhen Yanjiu*, Vol. 2, 2000, pp. 57-78. Shi found a migration route that started from Shanghai, passed through Hong Kong and Indo-China (before they were occupied by Japan), and then entered into southwest of free China. See Shi Kuo-Heng, *China Enters The Machine Age*, p. xvii.
- ⁷⁶ Zhongguo Kangri Zhanzhengshi Xuehui (et al) (eds.), *Kangzhan Shiqi De Jingji*, p. 259.
- ⁷⁷ Tan Xihong (et al), *Shinian Lai Zhi Zhongguo Jingji*, p. 23.
- ⁷⁸ Xia Mingfang, "Kangzhan shiqi zhongguo de zaihuang yu renkou qianyi (disasters and population move during Chinese Anti-Japanese War)", *Kangri Zhanzhen Yanjiu*, Vol. 2, 2000, pp. 57-78. These disasters in the North of China were: the flood of Yellow River in the end of 1930s and serious droughts and pests in early 1940s
- ⁷⁹ He Bingdi, *Mingchu Yijiang Renkou Jiqi Xiangguan Wenti*, pp 94-97.
- ⁸⁰ "Shenglihou xiangzhen hukou diaocha (1945)" and "Baoji zuijin xiangtu zhi (1945)", Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baoji Difang Shizhi Ziliao Leibian*, pp. 58-9.
- ⁸¹ Xie Quanzhong, "Baoji shiqu de renkou bianqian", *Baoji Wenshi Ziliao*, Vol. 8 (1991), p. 104
- ⁸² Chen Hezhang (et al), *Zhongguo Zhanshi Jingji Zhi*, chapter 7, pp. 2-3, 6-7.
- ⁸³ Interview with Mr. Huang, Baoji city, Aug. 11, 2001.
- ⁸⁴ Henansheng Difang Shizhi Bianzuan Weiyuanhui (The Editing Commission of Historical Records of Henan Province) (ed.), *Henansheng Zhi (Historical Records Of Henan Province)* (Zhengzhou: Henan Renmin Chubanshe, 1994), Vol. 9, p. 49.

⁸⁵ The number of industrial workers was problematic, for only the Shenxin Fourth Mill one plant had more than two thousand workers, which exceeded the total number of industry in this statistics. And this number should be higher if added workers of other plants. More plausible number of industrial workers in Baoji city was 8,300, came from “Baoji zuijin xiangtu zhi (1945)”, Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baoji Difang Shizhi Ziliao Leibian*, p. 58.

⁸⁶ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 40.

⁸⁷ Shaanxi Di Shi'er Mianfangzhichang Changzhi Bianxiezu (ed.), *Shaanxi Di Shi'er Mianfangzhichang Changzhi (Historical Records of The Shaanxi Twelfth Mill)* (Xi'an: Sanqin Chubanshe, 1988), p. 1.

⁸⁸ Xibei Jindai Gongye Bianweihui (The Editing Commission of Modern Industry in the Northwest of China) (ed.), *Xibei Jindai Gongye (Modern Industry in The Northwest of China)* (Lanzhou: Gansu Renmin Chubanshe, 1989), p. 375; Shanghai Shehui Kexueyuan Jingji Yanjiusuo (The Economic Research Center of Shanghai Social Science Association) (ed.), *Rongjia Qiye Shiliao (Historical Materials of Rong's Family Enterprises)*, Vol. 2 (Shanghai: Shanghai Renmin Chubanshe, 1980), p. 370.

⁸⁹ The interview with Mr. Huang and Mr. An., Baoji city, Aug. 11 and 14, 2001.

⁹⁰ The interview with Mr. Cao, Baoji city, Aug. 13, 2003.

⁹¹ Shanghai Shehui Kexueyuan Jingji Yanjiusuo (ed.), *Rongjia Qiye Shiliao*, Vol. 2, p. 370.

⁹² “What I saw and heard in Xi'an”, *Zhongguo Jianshe*, No. 4 of Vol. XIV (1936), p. 114, cited in Vermeer, *Economic Development in Provincial China*, p. 334.

⁹³ Liu Baorong, “Baoji zhibuhang fazhan jianshi (historical records of textile in Baoji city)”, *Baoji Wenshi Ziliao*, Vol. 1 (1984), p. 139. This situation was also agreed by another interviewee Mr. An. Interview with Mr. An, Baoji city, Aug. 14, 2001

⁹⁴ Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, p. 247, 271-83.

⁹⁵ Ibid., pp. 271-280; He Mingchu, “Longhai tielu tong Baoji”, *Baoji Wenshi Ziliao*, Vol. 1 (1984), pp. 171-2.

⁹⁶ “Baoji chengqu shangye”, *Jintai Wenshi Ziliao*, Vol. 9 (1993), p. 37.

⁹⁷ “Jiefangqian de lianghang (the grain trade before liberation in 1949)”, *Jintai Wenshi Ziliao*, Vol. 5 (1989), p. 46; He Mingchu, ‘Longhai tielu tong Baoji’, *Baoji Wenshi Ziliao*, Vol. 1 (1984), pp. 171-2.

⁹⁸ Han Weiliang, “Jieshi bianqian jili (several examples of the changes of streets and markets)”, *Weibin Wenshi Ziliao*, Vol. 9 (1993), p. 3.

⁹⁹ Hao Huaibin, “Ji Baoji chengqu de yiyuan weisheng shiye (the hospital and sanitary system in Baoji city)”, *Jintai Wenshi Ziliao*, Vol. 9 (1993), p. 99.

Chapter Two. Baoji city in 1949-1957

Introduction

By 1949, Baoji city played a significant role in the regional industry and transportation of northwestern China. By the end of 1949, it had 6 modern industrial plants with measurable size (some of them were the largest and most advanced in the northwest of China – see Chart 8), 64 small industrial factories with 2,900 workers, and 1,075 handicraft organizations with 4,587 workers. These plants meant that Baoji city owned 20% of Shaanxi's industrial capacity, second only to Xi'an city (55%).¹ Baoji city was also the juncture of 3 important national transportation lines: the Longhai Railroad, the Northwestern Road (both connecting northwestern China with eastern China), and the Sichuan-Shaanxi Road (connecting the northwest with southwest China). This key position in national transportation facilitated the development of long-distance and short-distance transportation in Baoji city. By the end of 1949, 274 automobiles and 424 jiaolun dache 胶轮大车 in Baoji city were engaged in handling long-distance freight mainly between Shaanxi, Sichuan and Gansu provinces, while about 1,000 man-drawn and 330 horse-drawn vehicles, and 200 rickshaws in Baoji city were responsible for the short-distance transportation.² Urban commerce in Baoji city was also prosperous by 1949. Besides several hundred large companies and shops engaged in the wholesale and retail business, there were 1,894 small commerce shops and 1,341 market stalls in six local markets in the city.³

However, Baoji city and the northwest of China were still very backward if viewed from a national perspective. In 1949, the industrial capacity of the Northwest of China was the smallest in China (only 2%), and concentrated on those several cities located along the Longhai Railroad, such as Xi'an 西安, Baoji and Caijiapo 蔡家坡 in Shaanxi province, and Lanzhou in Gansu province.⁴ Only textile production in this region, especially in Shaanxi province, had national importance.⁵ In contrast,

in 1952, 7 coastal provinces produced 73.1% of total gross value of industrial output, 85.5% in steel, 82.6% in cotton, 88.3% in cotton cloth, and almost 100% for machine-producing industry respectively.⁶

Chart 8: Modern industrial plants with measurable size in Baoji Municipality in 1949

Name	Ownership	Location	Original place
Shenxin Fourth Mill 申新 4 厂	Private	Baoji city	Hubei province
Fuxin Fifth Flour Plant 福新 5 厂			
Shenxin Iron Production Plant 申新铁工厂			
Hongwen Paper Plant of Shenxin Group 宏文造纸厂			
Northwest Machine Plant of Yongxing Group 西北机器厂	State-owned	Caijiapo Town	Xi'an
Caijiapo Mill of Yongxing Group 蔡家坡纱厂		Guozhen Town	
Weiwei Yarn Pipe Factory of Yongxing Group 维勤纱管厂		Baoji city	
Yejing Mill of Yongxing Group 业精纺织厂			
Locomotive Repairing Plant of Longhai Railroad 陇海铁路机车厂	Private	Baoji city	Jiangsu province
Daxin Flour Plant 大新面粉厂			Henan province

Source: Wang Jingwen (et. al), *Baoji Gongye Fazhan Shi*, pp. 40-9.

Note: In that time the distinction between large and small industrial enterprises was depended on the number of employees. For those enterprises using mechanical power, 16 employees was the division line, and to those without mechanical power, 31 employees was the division point. See Audrey Donnithorne, *China's Economic System* (London: George Allen and Unwin Ltd, 1967), p. 141.

The regime transfer between the GMD and the CCP in Baoji city in September 1949 seemed to be quiet and short, for no battles or chaos happened. But after that the CCP government faced the economic challenges during “the period of national economic recovery 国民经济恢复时期” from 1949 to 1952. In reaction to these challenges, the CCP government implemented many important policies that not only aimed to solve current problems, but also formed some important institutions in economic administration in communist China that would have lasting effects over the next several decades.

From 1953 onwards, the CCP government initiated its first industrialization strategy, the First Five-Year Plan (the FFYP), and also accelerated its pace to

nationalize the private economy. These two actions of the government changed Baoji city greatly in all aspects. From the view of Baoji city, I will observe some important aspects of the FFYP, and examine the effects of this FFYP and the nationalization of private economy on Baoji city.

I. The economy and administration in Baoji city in 1949-1953

When the CCP came to power in 1949, its government confronted the urban economic crisis and high rate of unemployment in Baoji city and other places, and responded with characteristic resolutions: among other things, to tighten economic control over the economic activities of private sector, and to reform labor policies. These policies had a two-edged effect: on one hand, they indeed lessened urban unemployment and temporarily stabilized the national economy, yet on the other hand these policies did constrain the development of the private economy.

A. The reorganization of all kinds of organizations in 1949-50

The urban economy of Baoji city went into stagnancy starting in the spring of 1948 when the PLA began to attack the GMD troops in the western Guanzhong Plateau. Unstable political and social order, and maybe the fear of the CCP, made many plants and companies close or stop operation. Shenxin Fourth Mill, the largest plant in Baoji city, partly stopped its production, many top managers and staffs fled, and no capital was left for production. This plant, like many other plants, survived through 1949 only because of the efforts of the self-defense team organized by retained workers and staff.⁷ Some small enterprises with less fixed facilities and equipments even relocated from Baoji city to safer locations. Huimin 惠民 Transport Corporation, the biggest automobile transportation company in Baoji city with 202 automobiles, relocated to the southwest of China after the PLA's first occupation of Baoji city in April of 1948.⁸ However, the inflation and serious unemployment that happened in large cities around 1949, was not obvious in Baoji city. This might be attributable to the relatively small size of the enterprises and the relative

underdevelopment of the urban economy of Baoji city in comparison with the large cities in eastern and middle China.

The first task of the new government in Baoji city was by a variety of methods to put into operation all kinds of organizations, including the bureaucratic organs. The CCP government not only through propaganda called for all employees of all kinds of organizations – especially skilled workers, staff, and technicians – to stay in their positions, but also used its organs at the level of the district and the street and traditional guilds to persuade small organizations to resume their operations.⁹ Furthermore, government also relied on more direct and powerful measures. By confiscating enterprises owned by the GMD government and the “bureaucratic-capitalists 官僚资本家”,¹⁰ and by controlling large private plants in the name of “military management 军事托管” by the PLA and then the Northwest Regional Government, the CCP government forcibly restarted the operation of these plants.¹¹ At the same time, the government launched the campaign of “supporting the northwest 支援大西北” to mobilize experienced cadres in the old Revolutionary Root Areas 革命根据地 and coastal regions to work in important organizations in the cities like Baoji city, and promoted activists as the new cadres in various organizations to take the key positions. For example, the in-migration of 196 skilled staff from Shanghai and hundreds of skilled cadres from Shaanxi-Gansu-Ningxia Revolutionary Root Area 陕甘宁革命根据地 increased the staffs of the bank systems in Baoji Prefecture from 56 to 884 during July 1949 and October 1949. In the same way, the staffs in the tax system of Baoji Prefecture also increased from 388 in 1949 to 688 in 1954.¹² In the governmental system of Baoji Prefecture, 581 cadres in 1949 were composed of 354 experienced cadres from the old Revolutionary Root Areas, 106 newly promoted cadres, 63 old staffs of the GMD regime, and 58 old CCP members in Baoji Municipality before 1949.¹³

These efforts of the CCP government were relatively successful, and all kinds of organizations gradually began to operate by the end of 1949. But after 1950, Baoji Municipal Government had to face other problems, especially the urban economic recession and the resulting urban unemployment in 1951-52.

B. Urban unemployment and economic recession in 1951-52 and government's reaction

During 1951-2, the rate of urban unemployment in China rose rapidly. Thomas G Rawski and Ygael Gluckstein linked this unemployment increase with the current influx of many peasants into towns to escape the food shortages made by natural calamities or by the land reform in rural places, or to search for employment just as they usually did.¹⁴ In Baoji city, what was different was that besides about 1,300 unemployed peasants, about 1,139 unemployed were newly fired by private enterprises in hard times. Including the existing urban unemployed, the total urban unemployed in Baoji city now reached 4,529.¹⁵ This urban unemployment was quite high when in 1951 Baoji city and its suburbs only had 103,600 residents.¹⁶

According to the explanation of the CCP government, this serious labor employment was nationwide and was caused by two problems inherited from the private economy. Firstly, the trades that served “exploitative classes” lost their markets in the new socialist regime and had to reduce their employees. Secondly, the “blind (unplanned) production and competition” of private enterprises forced some of them to shut down and then created many unemployed.¹⁷

The CCP government tried to resolve this unemployment problem by two measures: to control the number of newly unemployed, and to reduce the number of existing urban unemployed. As to the former, government deprived private enterprises' rights to recruit workers in August of 1952, when the Political Affairs Council 政务院, – later renamed as the State Council 国务院 – issued “The Decision On Labor Employment 关于劳动就业问题的决定” to rule that private enterprises cannot fire workers and must get the government's permission to recruit new employees.¹⁸ To those who could not find jobs in urban areas, the government classified them as urban and rural residents, and then sent unemployed rural residents back to their homelands and prohibited them to come to urban areas until 1956 saying that they burdened the urban economy and threatened social security.¹⁹ To reduce the number of unemployed with urban residency, the government first

registered all of them and categorized them according to skills, literacy, health, and so on. Then the local Labor Bureau 劳动局 allocated them different jobs according to this categorization and the labor needs of enterprises.²⁰ This job assignment was compulsory, because one unemployed person could not be assigned a job twice, even if he disliked the job assigned.²¹ Baoji Municipal Government also set up the special “working transformation 劳动改造” institution and organizations to force all vagrants to work and it declared in the end of 1956 that all vagrants in Baoji city were “transformed” into useful residents.²²

Attributing the above problems to the private economy, the CCP government thought it necessary to transform the private economy. The government's transformation policies were different in different sectors of the private economy. Policies for small enterprises were often gradual and indirect. Baoji Municipal Government took several steps to affect small private enterprises: to regulate all kinds of economic censorship and criteria, to offer low-interests loans,²³ to concentrate small market stalls into 7 markets for easy management, to use operation licenses to limit the competition, to reorganize trade and artisan guilds to supervise all trades under the direction of the government.²⁴ The strictest government action was the “five-antis”(五反) campaign in 1952 that was so named to eliminate all kinds of “illegal” economic activities of private enterprises.²⁵ In this campaign, in Baoji city, 777 private (capitalist) enterprises (not including mobile merchants and stalls) were accused of being semi-guilty, and 95 capitalist enterprises were severely guilty, both of them accounting 34.1% of all 2,557 private enterprises in Baoji city.²⁶ The government punished these guilty enterprises as a warning to other private enterprises. As to the cooperatives of the Chinese Industrial Cooperation (CIC), the general office of the CIC already transferred all these cooperatives in Baoji Prefecture to the management of the Baoji Prefecture Government in 1950, and a little later this CIC campaign was over.²⁷

The Government's policies towards the large and medium-sized enterprises and some trades were more aggressive. Plants of the private Shenfu Group, the biggest private ones in Baoji city and Shaanxi province, were “jointly-managed 公私合营” in

1951. Two small cigarette plants were merged into the state-owned Baoji Cigarette Factory that was the largest in Shaanxi province. In transportation, the Porter Guild and the Guild of Jiaolun Dache 胶轮大车 were transformed into the state-owned Porter Company of Baoji Municipality and Transportation Company of Baoji Municipality in 1951.²⁸

The success of the transformation of private enterprises by the CCP government was based on the formation of the command economy. One important part of this command economy was the tight government controls over more and more important economic resources. Since March 1950 when the Political Affairs Council issued the “The Decision Of Centralizing The National Financial And Economic Affairs 关于统一国家财政经济工作的决定”, the government gave itself full monopoly over the trades of the most important materials used in industry and construction like coal, steel, timber, cement, machinery, and the most important living necessities like cotton (1950), yarn (1951), cloth (1954) and grain (1954).²⁹ These state controls made private enterprises become very dependent on the government for material supply and product marketing. The CCP government called this dependence of private economy on the state as the “primary forms of state capitalism 国家资本主义初级形式”, which included the way of “private industry and handicraft industry processing for the order of the state 订货加工”, and the way of “private commerce marketing for the state 经销代销”.³⁰

However, these policies for private economy did not work well, and even had some negative effects. Until July 1952, for example, workers in the private handicraft industry in Baoji city decreased by 15.6% over the previous year, because of the shutdown or closure of many handicraft workshops and plants.³¹ In the urban retail commerce of Baoji Prefecture, the proportion of private businesses slid from 83.9% to 61.9% during January-October 1952.³²

C. Baoji city national administrative system during 1949-52

Baoji city was the capital of Baoji Prefecture and Municipality, and its position in the six-level national administrative system during 1949-52 can be seen in Chart 9.

After the administrative restructuring in 1952, only 4 levels of relatively independent governments existed: the central, the provincial, the municipal or county, and xiang (rural) or district (urban) governments. Large regions and prefectures in name were only representative organs of upper government at the lower levels.

Chart 9: The governmental system of the PRC during 1949-76

The level of governmental system	Baoji city in this system	Capital
The central government		Beijing city
The Large Administrative Regions 大行政区 (before 1954) The Central Bureau of The Central Committee of the CCP (after 1961)	The Northwestern Large Administrative Region	Xi'an city
Province and Municipality under the direct management of the central government	Shaanxi Province	
Prefecture 行政区 and Municipality under the direct management of the provincial government	Baoji Prefecture Baoji Municipality under the management of Shaanxi Provincial Government (after 1965)	Baoji city
Municipality under the management of the prefecture government and County	Baoji Municipality of Baoji Prefecture (from 1949-65)	
Xiang (rural) or District (urban)		

Source: Zhongyang Renmin Zhengfu (The Central People Government), “Zhongyang Zhengfu Guanyu Gaibian Da Xingzheng Qu Renmin Zhengfu Jigou Yu Renwu De Jueding (The central government's decision to change organizations and functions of large administrative regions) (Nov. 15, 1952)”, in Xu Dashen (et. al) (eds.), *Zhonghua Renmin Gongheguo Shilu (Real Record Of People's Republic Of China)* (Changchun: Jilin Renmin Chubanshe, 1994), Vol. 1, p. 760.

During this period, Baoji city and its suburban areas were managed by Baoji Municipality, which was composed of Jintai 金台 and Weibin 渭滨 Districts. Districts were composed again of “Street Offices 街道办事处” (they were once during this period called Representative Division 代表区); the latter generally included several “Resident Groups 居民小组”. At the very beginning of the CCP regime, the Street Offices were not formal administrative organs, and their staff members were voluntary residents who worked without payment. But during this period these informal organs took on many important functions, such as persuading merchants to re-open their enterprises, poverty relief, and so on. Hard work with no salary,

however, made many staff members quit their jobs, and no one want to work there. This in turn forced the Shaanxi Provincial Government in 1951 to transfer many cadres and governmental staffs who worked at the municipal level to the Street Offices. Furthermore, in 1952 the provincial government transformed the Street Offices into formal governmental organs and paid their employees.³³

Baoji Municipality and nearby counties were managed by Baoji Prefecture. The division between Baoji Prefecture and Municipality was not only geographical, but also functional (rural and urban). Established in October 1949, Baoji Municipality covered all important industrial places, not only Baoji city and Shilipu town, but also Caijiapo 蔡家坡 town (it later belonged to Qishan 岐山 County) and Guozhen town (it later became the capital of Baoji County).³⁴ What Baoji Prefecture managed were rural areas. This division was to change little over time.

After Guozhen and Caijiapo towns were transferred to Baoji and Qishan County in November 1949, the geographical areas of Baoji Municipality was quite stable until 1955, just covering 4 towns of Baoji city (Xinshi 新市, Xiancheng 县城, Weibin 渭滨, Shilipu 十里铺), and 7 xiang 乡 in the suburbs, even though the number of districts and xiang changed several times in these years.³⁵ The suburban xiang of Baoji Municipality in fact were lands slated for future urban expansion.

Structurally, the period from 1949 to 1952 saw the emergence of what Franz Schurmann called “branch-type” (or vertical rule) administrative centralization, which followed the Soviet model with some revisions and innovations.³⁶ In general, lower level governments like Baoji Prefecture and Municipal Government had very limited administrative powers and could only operate according to the directives from the central and provincial governments.

The first aspect of this centralization was the tight control by the central and regional governments over large and medium-sized enterprises. In Baoji Prefecture, the largest plants like plants of Yongxing Group and Shenfu Group, were all confiscated or jointly-managed by the Northwest Regional Government, and another state-owned Longhai Railroad Locomotive Plant was managed by the Railroad Ministry.³⁷ What the Baoji Municipal Government could manage were only small

and semi-mechanized factories and handicraft organizations. This division could even be clarified from the name of the enterprise: the enterprises belonging to the central and regional governments were named as “state-owned 国营” enterprises, while enterprises managed by provincial and municipal government were “local state-owned 地方国营” ones.

This centralization was also illustrated by the government’s control in materials and products allocation and supply. Classifying all kinds of materials and products into two types: productive (used for industrial and agricultural production) and consumptive ones, the central government monopolized the most important ones, which were labeled as “nationally balanced materials 全国平衡物资”, and allocated them according to the national plan in which the lower governments had no right to interfere.³⁸ For example, the Commerce Ministry managed the marketing, allocation, supply and circulation of grain, metal, pork, cement, coal, etc., and even extended its controls to the wholesale and retail of other less important goods by establishing specialized companies concerned with tobacco, sugar, salt, metal tools, and so on.³⁹ The Cotton, Yarn and Cloth Company 花纱布公司 (later called the Textile Industry Ministry) monopolized the materials and products of the textile industry.⁴⁰

Centralization was also the principle of the national financial system that was referred to as the “unified management on budgetary revenue and expenditure 统收统支”. In this system, the municipal governments like Baoji Municipality had no power to control and use the revenue and taxes produced by the enterprises managed by the central and provincial governments (including railroad and banks) in its administrative range, because all these were managed by the upper governments.⁴¹ All municipal (prefectural) financial revenues (including the revenues and taxes of local state-owned enterprises, taxes on agriculture and private economy) had to be handed over to upper governments level by level, and all financial expenditure also had to be applied for and approved by the upper governments, level by level. In short, Baoji Municipal Government had no financial autonomy.⁴²

Finally, the Baoji Municipal Government also had little power in economic planning. “The Temporary Regulation Of Planning State-owned Commerce 国营商业

“计划暂行条例” issued in 1950 gave only the central, regional and provincial governments the power of economic planning.⁴³ The establishment of economic planning organs of the municipal and prefectural level in November 1952 meant only that the Planning Commissions of Baoji Prefecture and Municipality could supervise and report the concrete operations of economic plans made by upper organs. These two planning commissions had to wait until 1956 when administrative decentralization gave them some power in economic planning.⁴⁴

The new centralized administrative system divided the urban economy in Baoji city into two parts: one was the state-owned sector managed in a centralized way, and another was the private sector based on market mechanisms. The structure of this dualist economy did not change much even after the overall Socialist Transformation of the private economy during 1953-6, for at that time the two parts were the sector managed by the central and provincial governments, and the one managed by the municipal government.

II. The First Five-Year Plan from 1953 to 1957 and Baoji city

The First Five-Year Plan was the first attempt of the CCP government to quickly industrialize China on a large-scale, and to transform China from a backward agrarian state into a powerful and strong industrialized one. This Five-Year Plan was very important for us to understand many aspects of the PRC, because it not only formed the industrial basis for further development in next decades, but also created or shaped many important and influential institutions.

One dilemma was created by this FFYP. When the underdeveloped inland provinces like Shaanxi became the central areas of the investment, these provinces – even the whole of China – could not offer sufficient advanced equipment and techniques, skilled labor, etc., to support this large-scale industrialization. To achieve this industrialization, the CCP government managed to control enough economic resources (capital, skilled labor, equipment, etc.) by the campaign of the Socialist Transformation and channeled a sizable supply of these resources towards the inland provinces through the establishment of a centralized economic administration.

A. The preparation for the FFYP: the Socialist Transformation and the centralized administrative system of the CCP government

1. The Socialist Transformation in Baoji city

The private economy was weakened during 1949-52; in the eyes of the CCP leaders, it was still incompatible with communist ideology, and even hampered the economic planning and resource allocation of the FFYP. Chen Yun 陈云, who was responsible for all important economic affairs during the 1950s and 1960s, pointed out that the nationalization of the private economy was inevitable due to the needs for planning the public economy and promoting production.

“(We) must arrange all kinds production nationwide on the basis of economic planning. —— If we only planned the public sector without touching the private sector, it is not a total economic planning, and the plans for public sectors will also be finally unfeasible because of the existence of unplanned private sectors. Every time when we planned industry and commerce, we had to reconcile the relationship between public and private sector, and our state-owned sector always gave way to the private economy for the survival of the private sector.”

And

“It was necessary to rearrange all trades more or less. —— Most of these twelve thousands (private) enterprises were old and backward. For the low quality of their products, state-owned commerce gave no processing and ordering tasks to them. It will be economically irrational to assign certain amount of production tasks to them, for this will make more advanced plants reduce their more efficient work”.

Correspondingly, Chen pointed out these private enterprises had only two futures: small enterprises merged into large ones, or large enterprises absorbing small ones.⁴⁵ Premier Zhou Enlai 周恩来 made a more concrete description of this transformation in 1953. Zhou said that this change included three phases. The first phase was already over, when the state controlled only small parts of the national economy, and private economy still operated on the basis of free market. The second phase that was underway was “private enterprise processing for the order of the government 加工订货”, in which the government became the material supplier and clients of private enterprises. The final stage was the socialization of private

economy, or state-private joint management. Under this direction, the government decided to use state-private joint management in all trades.⁴⁶

During 1953-4, the CCP government proceeded with this transformation very cautiously, as private enterprises still held a considerable share in the national economy and had important managerial and entrepreneurial skills. The government wanted to gradually transform into public ones only the 500 largest private enterprises in industry, handicraft industry and commerce through such measures as the discriminative taxation and bank loans, tight controls over materials and products, and political education.⁴⁷ In Baoji city, these cautious efforts of the government finally transformed two large private plants, Daxin 大新 Flour Plant, and Minsheng 民生 Oil Pressing Factory in 1955.⁴⁸ By 1954 in Shaanxi, 14 wholesale trades were totally controlled by the state,⁴⁹ and in China only 10.2% of all national wholesale trades were left for private enterprises and 6% for cooperative and jointly-managed enterprises.⁵⁰

With this success, from 1955 the government accelerated this transformation and finished it in 1956. In Baoji city, the retail share of private enterprises decreased from 51.4% in 1954 to 37.8% in 1955, and over 60% of private commercial enterprises did not profit. At the same time, many private handicraft organizations had to socialize themselves into three kinds of cooperatives: the producers' cooperatives 生产合作社, the supply and marketing producers' cooperatives 供销合作社, and the producers' small groups 生产小组. This move increased the number of cooperative handicraft associations from one with about 10 members in 1953 to 33 associations with 807 members in 1955.⁵¹ Nationwide, the share of private commerce in retail sector dropped quickly from 26.4% in 1953 to 25.6% in 1954, again to 17.8% in 1955, then down to 4.2% in 1956, and finally to 2.7% in 1957.⁵²

Even though this acceleration was immediately followed by the “three stagnancies (三死)” of the private economy (low commercial marketing, decreased handicraft production, and the attenuation of urban service), the CCP government paused the pace for just a few months, and resumed it in 1955-56.⁵³ With the directive of the Shaanxi Provincial Government to transform all private handicraft

organizations (with 134,700 laborers) into the state-owned or collective ones in 1956, the Baoji Municipal Government decided to transform all kinds of private organizations by January 1956.⁵⁴ This decision caused the climax of the transformation in the end of 1955 and the beginning of 1956. In this climax, all private enterprises in 11 kinds of industries, 36 kinds of handicraft industries and more than 30 commercial trades, were converted into cooperatives (primary form of state capitalism) and jointly-managed enterprises (higher form of state capitalism) before the deadline, with only four trades such as vegetable, second hand wares, etc. left out.⁵⁵ The guilds of these private handicrafts and commerce were re-organized into specialized committees and acted as the basic units of the government to “educate and transform” newly transformed organizations.⁵⁶ In transportation, all private automobile companies were transformed into 4 cooperatives.⁵⁷

But the Baoji Municipal Government had to retreat from its policies a little in the second half of 1956 when the urban economy faced difficult problems. The geographic concentration of handicraft and commercial organizations caused great inconvenience to local residents. And the quality of industrial and handicraft products and urban services worsened dramatically after the transformation.⁵⁸ More important were the revisited “three stagnancies” after the Transformation. However, still insisting on a state-owned and collective nature for the many new organizations, the CCP government had to admit that the Transformation abandoned many useful old things of the private enterprises, such as the multiple wage system, the skills and techniques of capitalists and managers, the old supply and marketing channels, and wanted to recover them.⁵⁹ But these policies of the municipal government had little effect due to some structural reasons. The discriminative policies of the government in the material supply of the handicraft industry made the material shortage of handicraft industry become constant and long term. The completion of some large industrial projects, especially the Baoji-Chengdu Railroad in 1956, made many commercial enterprises and services in Baoji city lose many consumers. 15 handicraft cooperatives of Baoji city faced a lack of resources and product overstock from April to June: 3 handicraft organizations stopped production, 5 stopped

production once, and others had to limit their production.⁶⁰ The lasting crisis of the handicraft industry forced the municipal government to agree that from the end of 1956 handcraftsmen could quit the cooperatives.⁶¹

2. The centralized system of economic administration

After the Socialist Transformation, the CCP government had the capability of allocating and circulating enough resources to meet the needs of the sectors, industries, and plants that the government regarded as strategic and important. How did the CCP government use this capability? Or in other words, how did the CCP government allocate and circulate economic resources to realize its industrialization strategy?

As noted by Alexander Eckstein, the way the CCP used this capability was to copy the Soviet model and establish a centralized administrative system during 1953-7.⁶² Franz Schurmann and Audrey Donnithorne have already analyzed the vertical structure of this administrative system. Concentrating on the relations among all levels of governments and enterprises, Schurman pointed out this administrative system was organized on the principle of “branch-type vertical rule”, which meant all aspects of productive enterprises were controlled and organized by the functional specialized ministries of the central government according to the production specialization, not by the provincial and municipal governments according to the location of enterprises.⁶³ Donnithorne extended this approach to the whole national economic system, and found that this branch-type vertical rule was widely used in all important fields, such as economic planning, fiscal system, labor allocation, commerce and trades, industry, and so on.⁶⁴ The CCP government’s efforts to centralize the economic administration was reasonable, because centralization assured that the central government would have enough resources for those important sectors, industries and areas, and at the same time left less important sectors to the provincial and municipal governments when the central government was incapable of managing all economic affairs.

Different from this approach that centered on the relations among all levels of governments and enterprises, Alexander Eckstein's view of this administrative system as one means to mobilize resources for industrialization was very instructive. This view had three methodological advantages. It emphasized the strong connection between this administrative system and the industrialization strategy of the CCP government, and then offered a dynamic view to see the administrative system when the industrialization strategy of the CCP changed. Secondly, this perspective led us to observe how the government allocated resources and organized their circulations, and then to analyze how this administrative system operated the economic system.⁶⁵ Thirdly, this perspective also made it easier to understand the position of one city like Baoji city in the national economic system, by examining its role in the circulation of all kinds of resources. For these reasons, I chose this perspective to analyze the economic administration of the PRC during 1953-7.

In order to operate the economic system of the PRC and prepare the FFYP, the CCP government specialized its governmental system in 1954. At the top, the State Council had 8 specialized offices according to different social functions. From the Third to the Eighth Offices all dealt with economic management.⁶⁶ Under these Offices of the State Council were more specialized central ministries. The most eminent might be the 8 Machine-building Ministries, the Heavy Industry Ministry, the Geologic Ministry, the Construction Ministry, and the Petroleum Industry Ministry of the Third Office.⁶⁷ The number of these specialized ministries changed continuously and in 1956 it was 15.⁶⁸ There also were special organs of the State Council for the economic planning, the management of the 156 key projects of the FFYP, and newly transformed jointly-managed enterprises. The State Planning Commission 国家计划委员会 was responsible for the long-term national economic plan. The State Economic Commission 国家经济委员会 managed the short-term (annual) economic planning, and supervised and coordinated the establishment and operation of 156 key projects that got the priority from all ministries and provincial governments in the allocation and supply of important resources, especially advanced equipment, skilled labor, capital, and so on.⁶⁹ At the same time, the State

Construction Commission 国家建设委员会 controlled all kinds of long and short-term capital investment. The structure of provincial and municipal governments often copied this model, with some deviations because they didn't have as many functions as the central government.

With the specialization of the governmental organs, the central government classified all kinds of economic resources into groups, and according to this classification divided the national economy into corresponding sub-economic systems. In each sub-system, it was the specialized ministries that controlled and managed the most important production, the logistics, and the marketing of these resources. Here I will concentrate on those systems concerned with industrial goods and labor.

The CCP government generally divided all kinds of industrial goods into two basic kinds: consumptive goods (消费物资) for people's daily necessities, and productive goods (生产物资) for all kinds of production. During the FFYP, this division became more and more detailed and specific, and became the fundamental basis of each sub-system. Because of the complexity of this division, I can only give a general discussion.

Consumptive goods for urban areas were divided into 5 specific and small groups, and managed by 5 corporations of the Commerce Ministry respectively after 1953.⁷⁰ Each of these specialized companies had two relatively independent sub-systems to deal with circulation and marketing respectively. The provincial and municipal (prefecture) branches of these specialized companies formed the marketing sub-system.⁷¹ The three-levels "wholesale system" was in charge of the goods' collection and circulation. The first-level wholesale depots were responsible for the inter-regional and regional circulation, and often located in large cities that were both national productive centers and consuming centers of the related light industries. According to the national plan, these first-level depots purchased what they needed, and allocated to the second-level depots after leaving some quotas for the needs of these large cities. The second wholesale depots often located in the center of one area, or cities with some productive capacity of related products, and

managed the circulation in a economic area and supplied goods to the local marketing organs of these companies according to plans. Donnithorne said that during 1950-7 the provincial and municipal branches of the 5 corporations of the Commerce Ministry were under the dual control of the Commerce Ministry and the provincial governments.⁷² But the wholesale system seemed to be only managed by the Commerce Ministry.

As for the productive goods (materials and products), the government classified them into 3 groups according to their importance and specialization. The most important and widely used goods of the national economy were known as “unified allocated 统一分配” goods and was managed by the State Planning Commission.⁷³ The materials and products needed by specialized industries, such as the special equipment and materials used for non-ferrous metallurgy, were managed by related specialized ministries and thus named as “ministry managed 中央部门管理”.⁷⁴ Other less important materials and products were “locally managed 地方管理” under the dual management of the Local Industry Ministry 地方工业部 (from 1956 it was renamed as the Light Industry Ministry 轻工业部) and the provincial governments.⁷⁵ Within the FFYP, the number of the first two kinds increased from 227 in 1953 to 532 in 1957, and “locally managed” goods were also gradually included in centralized planning and management after 1954.⁷⁶

What I must emphasize here is the criterion used to classify the “ministry managed” processing products and equipment, was the use – not the nature – of these products and equipment. For example, the machinery produced by the Baoji Petroleum Machinery Plant for petroleum drilling and the pipe produced by the Baoji Petroleum Pipe Plant for transportation of petroleum, were all managed by the Petroleum Industry Ministry. Similarly, the Changling Machine Plant in Baoji city who produced the radar equipment was managed by the Fourth Machine-tool Industry Ministry that was specialized in electronics, and the Baocheng Meter Plant produced aerial meters and belonged to the Third Machine-tool Industry Ministry that specialized in aviation. Xinjin 新秦 Machine Plant (former Shenxin Iron Works Plant) belonged to the Textile Industry Ministry because it produced textile

machinery.

Based on this basic classification of productive goods, productive materials and products were further divided and more specific sub-systems managed and controlled by central ministries were formed, very similar to the sub-system managed by the Commerce Ministry. In the sub-systems produced “unified allocated” and “ministry managed” goods, the production units were divided into two kinds. The important enterprises were named as “the enterprises with direct supply 直接供应企业”, because it was the managing central ministry of this sub-system that bought all of their qualified products and supplied them with the needed materials and equipment at “the prices of state appropriation 国家调拨价” that were lower than market prices.⁷⁷ Other less important enterprises were called “enterprises with indirect supply 间接供应企业”, who had to sell their products by themselves and buy what they needed with the higher “market prices 市场价” from the hands of local branches of the Commerce Ministry that had only very small amounts of those centrally controlled goods.⁷⁸ But we must keep in mind that the “enterprises with direct supply 直接供应企业” not only were those enterprises managed by the central ministries, but also included many important state-owned and jointly-managed enterprises managed by the provincial governments. In this way, even though some enterprises were managed by the provincial governments in the name of administrative jurisdiction, they were in fact controlled tightly by central ministries in material supply and marketing.⁷⁹ The enterprises producing the “locally managed” goods were often under the authority of the provincial and municipal governments.⁸⁰

In regard to the logistics within these sub-systems for productive materials and products, just like the Commerce Ministry, every specialized ministry organized two more specific systems for the supply of materials to “enterprises with direct supply” and for product marketing respectively. With respect to material supply, one ministry first got the needed materials and equipment from its own enterprises and other ministries, and then appropriated to its several first-level supply stations and material storehouses 物资仓库 that often covered one or several regions. Then these first-level

depots sent their planned quota of materials and equipments to the second-level supply stations and material storehouses, and then items were further transferred downward to the third-level supply stations and to “enterprises with direct supply”. The ministerial marketing organs operated in the opposite direction. Lower level marketing organs collected the products of “enterprises with direct supply” according to the production plan, and transferred level by level upward to the head of this marketing system. Then the central ministry according to national plans of the State Planning Commission and Economic Commission appropriated its products to other ministries and kept certain parts for itself. The unequal and unbalanced industrial distribution of one specialized economic sub-system in space meant that the material supply and product marketing system in a region or province was not always operated at three levels, and the ranges that organs covered at each level were quite different. For example, the supply and marketing system of nuclear and aerospace industry in the northwest of China had no second and third level related stations and storehouses until the 1960s due to the small number of related projects in this region in the 1950s.⁸¹

Scarce specialized and skilled labor was also managed in a similar way. The CCP government tightened its controls on specialized and skilled labor with the 1956 educational reform. Higher educational institutions were divided into two: important institutions managed by the central government, and ordinary institutions managed by the provincial governments. And the important educational institutions were specialized further. The Higher Educational Ministry managed universities, and specialized central ministries managed those specialized colleges. The worker-skill training schools were also categorized and managed in the same way.⁸² Based on this division, the graduates from these educational institutions were allocated according the labor plans made by managing ministries or provincial governments. This job allocation was called the “unified enrollment and assignment of graduates from higher educational institutions and worker-skill training school 大学毕业生、中专生统招统分”. Except in extreme cases, these graduates could not change their jobs or be fired without permission.⁸³ Ordinary skilled and unskilled workers also

belonged to different “systems” together with their enterprises, and changing one’s job freely by an individual between different systems and enterprises was not permitted.⁸⁴ In this way, the specialized and skilled labor managed by the provincial and municipal governments was very limited in number and in scope.⁸⁵ In addition, many important enterprises of the provincial governments also relied heavily on the central ministries for skilled labor. For example, 5 new mills managed by Shaanxi Provincial Government established with the support of the Textile Industry Ministry, received many skilled workers from the old textile plants in Qingdao 青岛, Shanghai and cities of the Northeast, and unskilled workers with high literacy from Shanghai and other places in the East of China under the arrangement of this ministry.⁸⁶

These sub-systems all operated on the principle of vertical rule. Although the central government and its specialized ministries had no capacity to assume overall management and had to share some powers with the lower level governments, or permit the existence of free market,⁸⁷ they controlled the most important materials and equipments, production units, labor, and so on. The central ministries not only extended its management in material supply, product marketing, and industrial management to many large and important enterprises of the provincial governments, it also controlled the capital investment and economic planning. The newly established three-levels fiscal system in 1953 gave only very limited independent fiscal powers to provincial and municipal (prefectural) governments,⁸⁸ and especially forbade their investment in large-sum projects and new projects without the permission of the central government.⁸⁹ In the designation of economic plans, the provincial planning system was established only after 1954 and only covered production units managed by provincial governments. Its plans were very simple, and had to be approved and revised by the central government.⁹⁰ The planning organ of the Baoji Municipal Government never did any independent planning during 1954-60, and only functioned to collect local information and reactions, propose suggestions, transfer the plans of the above organs, and supervise the fulfillment of these plans.⁹¹

All these sub-economic systems were relatively enclosed and independent from

each other, or in the words of Donnithorne, the ministries showed “self-sufficiency”.⁹² The enterprises with direct supply from central ministries had little connections in the market chain with other enterprises, ministries, and local governments. For example, the Baocheng Meter Plant, the largest meter plant of the Fourth Bureau of The Second Machine-building Industry Ministry (later the Third Machine-building Industry Ministry), received all its needed resources, including productive materials and equipments, skilled labor, capital, etc., from this Bureau (finally the Third Machine-building Industry Ministry), and gave all qualified products to this Bureau.⁹³ According to one of my interviewees, the Changling Machine Plant, the largest radar plant of the Fourth Machine-building Industry Ministry, did the same.⁹⁴

All these led to a very important result. Because almost all aspects of enterprises were managed and organized by related ministries, it was not surprising that the different administrative belongings of enterprises to the economic sub-systems managed by different ministries, made various enterprises in one place lack economic relations with each other in all aspects, and created obvious differences among enterprises, as for instance, the differences between enterprises with direct supply and with indirect supply. Thus, in Baoji city there emerged an economic work unit hierarchy based on these differences during 1953-7.

B. The First Five-Year Plan in Baoji city

Many general characteristics of the First Five-Year Plan have been already examined by Chao Kang in his incisive study on China’s industry during the latter part of the 1950s.⁹⁵ Firstly, following the model of the Soviet’s industrialization and the consideration of heavy industry as the economic base for strong military forces, the FFYP centered on the heavy industry that included the production of producer’s goods and defense products. The main content of the FFYP, the 156 key projects (finally only 150 key projects were built) and the 538 complementary projects of large and medium size (these two kinds of projects are often called 694 *above-norm* projects 限额以上项目), were all in the fields of heavy industry, basic industry

(electric power generation, mining, chemicals, etc.), infrastructure construction and the defense industry, and were carried out with aid from the Soviet Union.⁹⁶ Chao Kang estimated that heavy industry comprised 89% of the total national industrial investment during 1953-5.⁹⁷ Secondly, with respect to regional policy, Chao pointed out that the CCP government favored the interior, because the interior received 55.3% of the industrial investment of the central government and 73.9% of the industrial investment for new enterprises. And 472 of 694 above-norm projects were located in inland provinces.⁹⁸ Chao argued that this inland-orientated regional policy resulted from two considerations: for economic efficiency to locate new factories close to the domestic sources of raw materials, and for national security to locate considerable industrial capacities in the interior in case of attack from the eastern seaboard.⁹⁹ Thirdly, the construction of important projects was wave-like in space and time: first the construction concentrated in the northeast (machine-production), central China and Inner Mongolia (iron and steel production) in the FFYP, and then it was centered on the southwestern and northwestern regions (the petroleum industry and non-ferrous metal industry) in the SFYP.¹⁰⁰ Fourthly, Chao Kang found that the promulgation of the FFYP was delayed to 1955 due to lack of statistical data, the Korean War continued to 1955, and the hard negotiations with the Soviet Union with regards to their aid.¹⁰¹ Consequently, the Second Five-Year Plan could be seen as the continuation of the FFYP, because many important projects of the FFYP had not started or were not finished by the end of 1957.

However, in view of the above deep observations, we see that one precondition of the discussion about the FFYP was still unclear: what did the terms, the “coastal regions 沿海地区” and “the interior 内地”, refer to by the CCP government in the FFYP? I found that the term, “the interior” in the FFYP was different during the Chinese Anti-Japanese War, when “the interior” only referred to provinces in the southwestern and northwestern regions. During the FFYP, the CCP government in fact used the Beijing-Guangzhou Railroad 京广铁路 to divide China. To the east of this railroad were the coastal regions, and to its west was the interior. It was clear that according to this division, many provinces in middle China, such as Henan,

Hubei, Hunan etc., also partly belonged to the “interior”. This division was reasonable, because the main industrial capacity of China was clustered in the cities on the east of this railroad. Cities in the Northeast 东北, the East of China 华东, the South of China 华南 were called by the CCP government the “old industrial bases”, while most cities that the government planned to industrialize in the FFYP located to the west of this road were called the “new industrial bases” (although some cities in the region of the Northeast were also designated to host many important projects).¹⁰² This economically spatial division of China by the CCP leaders was dynamic, and was to be changed several times in the 1960s and the 1970s.

These findings provide us with a good vantage point to look at the FFYP in Baoji city. But from the view of Baoji city, we also find that some important and interesting aspects of the FFYP were left untouched.

1. The designation and content of the First Five-Year Plan in Baoji city

The local sources showed that the planning process of the FFYP concerning Baoji city were changed several times after 1955 and were finalized in 1959, which was not mentioned by Chao Kang. The original urban plan for Baoji city in early 1955 was quite simple. The Railroad Ministry planned to construct the Baoji-Chengdu Railroad 宝鸡-成都铁路 (宝成铁路) and one machinery plant to repair railroad machinery, and the Light Industry Ministry decided to build a large oil press plant. The provincial government wanted only to build a power station to offer electricity to the Baoji-Chengdu Railroad, and to expand several old and relatively large enterprises. What was interesting was the Baoji Municipal Government’s plan. The municipal government only applied for the relocation of several enterprises from Shanghai and Tianjin to serve agricultural and consumptive needs.¹⁰³ It was quite clear that the central part of this FFYP for Baoji city was the construction of the Baoji-Chengdu Railroad. Because of the small number of new industrial projects, the Baoji Municipal Government prepared to use only a small suburban area next to the east of Xiancheng town as the new industrial zone. The Baoji Municipal Government decided that the main function of Baoji city was to serve as an

important junction in the national road and railroad network, and that urban construction in Baoji city should serve the transportation needs.¹⁰⁴

However, this plan was revised significantly after April 18, 1955 when the Central Committee of the CCP thought that the Chinese industrial capacity was concentrated too much on the coastal regions and was in great danger from the view of national security. This new thought from the core of the CCP forced the government to revise the FFYP and to readjust its national industrial distribution. The revised FFYP for Baoji city now gave priority not only to transportation, but also to the defense industry. In the revised plan, among the projects of the central ministries, only the projects of the Railroad continued. What were newly added were 8 important defense plants, one large mill and 2 universities that would be established or relocated into the city. With respect to the provincial government's projects in Baoji city, the establishment of the power station and the expansion of the old enterprises went on, with the addition of 5 small plants. The municipal government did not apply for the relocation of light industry from Shanghai, because now it had too many things to do to serve these central and provincial projects.¹⁰⁵ This revision of the FFYP seemed to be large-scale, because the FFYP for Shaanxi was also changed greatly. In all, 8 large and medium-sized important defense plants were relocated from Beijing, Tianjin, and the cities of Shanxi and Gansu provinces to the Guanzhong Plateau of Shaanxi province.¹⁰⁶

This plan was revised again in the middle of 1957 for reasons of national security. In order to reduce the damage by a possible air-attack, the central government declared in 1957 that the important projects should not be clustered in one place and the large and medium-sized cities should not expand any more. With this directive, this plan was revised again during 1957-8 and decided to delete or relocate the mill, 4 defense plants of central ministries, 2 universities, and 5 provincial projects.¹⁰⁷ However, it seemed the CCP government lost its interest in urban planning during the Great Leap Forward, and consequently after 1958 there had no urban planning about Baoji city in 1975. But from the reality we know that the revision in 1957-8 worked and some important principles of urban planning were

still followed. During 1955-62, the central government established 3 of 156 key projects (2 were defense plants: the Changling 长岭 Machine Plant produced radar and Baocheng 宝成 Meter Plant produced aerial meters, and one was the Baoji Petroleum Pipe Plant of the Petroleum Industry Ministry), 2 defense plants (the Lingyun 凌云 Machinery Plant produced vectors and Fenghuo 烽火 Machinery Plant produce wireless transmitters) of 538 complementary projects, the Baoji-Chengdu Railroad, and Baoji Engineering Machinery Plant. The Baoji Petroleum Machinery Plant of the Petroleum Industry Ministry was expanded.¹⁰⁸ The provincial projects were also not too many, including only the construction of the Baoji Power Station and the expansion of the enterprises of jointly-managed Xinqin (former Shenfu) Corporation and other jointly-managed plants.¹⁰⁹ Because of these industrial establishments, among 4 levels of China' cities defined by the CCP government according to their importance in the FFYP, Baoji city became of one of the third-level cities that had several important projects and were planned to expand a little (the first-level cities were the cities that received many important projects and would expand quickly such as Xi'an and Lanzhou 兰州 of Gansu Province 甘肃, and the second-level ones were cities with a considerable number of large projects and related investment).¹¹⁰

The design process and the content of the FFYP for Baoji city revealed something important. Firstly, we find that for Baoji city and Shaanxi province the consideration of national security was more important than economic efficiency and spatial equality in deciding the industrial location and the regional policy. The industrial distribution of the 156 (the real number was 150) key projects also proved this. The 150 key projects consisted of 44 military projects and 106 civilian projects. The inland provinces received 35 military projects, but got only 24 civilian projects (see Chart 10). Just as current Vice Premier Bo Yibo who was in charge of industrial affairs admitted, to locate important projects in the interior was to avoid a possible air attack on China coming from the eastward direction. More specific to the Guanzhong Plateau of Shaanxi province, the central government decided to build one normal arms base in Xi'an city, one aircraft and one electronic industry base in

areas between Xi'an city and Baoji city, plus 2 key navy projects. Of 27 key projects built in Guanzhong Plateau during the FFYP and Second Five-Year Plan, 20 projects were defensive, and another 7 also had strategic implications (4 were electric and machinery factories, 3 were power stations and coal mine). Similarly, 40 of 47 complementary projects in Shaanxi were defensive and heavy industry, and only 7 of them were large-size textile factories.¹¹¹ As part of the electronic industrial base, Baoji city and other towns in Baoji Prefecture had 6 of 9 key and complementary important electronic projects in Shaanxi (3 in Baoji city).¹¹²

Chart 10: The spatial distribution of large projects in the central government's FFYP

	156 key projects		Complementary projects	Central investment	Industrial growth
	Civilian	Defence			
Total	106	44	694	100	
Interior regions	24	35	472	47.8	151%
Coastal regions	Northeast	50	9	222	41.8
	Others	32			119%

Source: Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, p. 306; Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, p. 24-5; Liu Jiang (et al.), *Zhongguo Diqu Fazhan De Huigu Yu Zhanwang: Shaanxisheng (The Review and Forecast of Chinese Regional Development: Shaanxi)* (Beijing: Zhongguo Wuji Chubanshe, 1999), p. 66; Wang Haibo, *Zhonghua Renmin Gongheguo Gongye Jingji Shi (The Industrial History of The PRC)* (Taiyuan: Shanxi Jingji Chubanshe, 1998), p. 224.

During the construction of the FFYP, because it was the central government that invested in and established those important projects, and the centralized administrative system left little autonomy to Shaanxi Provincial Government and Baoji Municipal Government, the municipal government mainly concentrated on the Socialist Transformation of small private enterprises, and the factors serving the important projects, such as the supply of temporary workers, constructive materials such as bricks, timber, etc., vehicles for transportation, and urban infrastructure. For example, only for the construction of the Baoji-Chengdu Railroad, in 1954, the Baoji Municipal and Prefectural Governments had mobilized 16,500 peasants and 755 skilled workers, and organized 2,380 animals and 670 vehicles for transportation use. At the same time, the local government also offered this railroad project more than

two million square meters of timber for construction, and 5,000 tons of grain, 150 tons of oil and 270 tons of pork and other living necessities to the workers.¹¹³ From 1955 to 1957, besides being busy in supporting the railroad, the Baoji Municipal Government also had to prepare the materials and vehicles for the construction of the Changling Machine Plant and the Baocheng Meter Plant.¹¹⁴ With respect to urban infrastructure, the municipal government notably constructed one bridge on Jinling 金陵 River (one branch of Wei River) and anti-flood banks along the Wei River, the water supply system and sewage system for many urban areas, and some new public roads.¹¹⁵

**Chart 11: Capital investment in Shaanxi province in the First Five-Year Plan
(unit: million yuan)**

	Provincial government's investment			Central government investment		
	Planned investment	Real investment	Increasing rate (%)	Planned investment	Real investment	Increasing rate (%)
1952		1.662				
1953	61.720	62.000	2630.4	166.295	149.000	
1954	43.970	57.000	-8.1	200.216	185.000	24.2
1955	54.814	50.478	-11.4	235.728	310.520	67.8
1956	109.274	89.900	78.1		704.100	124.7
1957	85.724	80.047	-11.0		483.460	-31.3
Total	299.320	339.325			1832.080	
1958		303.462	279.0		468.538	-3.1

Sources: Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, pp. 119-164.

But even for the construction of urban infrastructure, the municipal government was heavily dependent on the central government. For example, in 1957 the central government invested 1,666,000 yuan on urban infrastructure of Baoji city, while the provincial and municipal governments invested only 300,000 yuan.¹¹⁶ The situation for the Shaanxi Provincial Government was similar. Among 74 large and medium-sized projects built in Shaanxi province during the FFYP and the Second Five-Year Plan, less than 20 of them were invested and managed by the provincial government.¹¹⁷ In addition, the portions of the provincial government's capital and industrial investment on large and medium-sized projects in Shaanxi province were only 9.7% and 25% respectively¹¹⁸ (see Chart 11).

2. The method of industrial expansion in Baoji city: “the old plants supporting the new plants”

One important question about the FFYP is: How did the CCP government realize the rapid industrial expansion, or more concretely, how did the government establish the large and medium-sized new and modern projects? This question was very important to the inland provinces because they lacked advanced equipment and techniques, skilled labor, and so on. However, relevant studies on this topic are few, except Shen Zhihua's analysis of the important role of Soviet aid.¹¹⁹ In addition to Soviet aid, I will propose that, with the centralized administration that enabled the government to direct enough resources to the areas to be industrialized, the CCP government had its own special way to realize rapid industrialization in the interior. This method of industrial expansion in China was called “the old bases supporting the new bases 老基地支援新基地, the old industries supporting new industries 老工业支援新工业, and the old plants supporting new plants 老厂支援新厂”, or simply speaking, “three olds supporting three news”. Here I will concentrate on the flow of skilled laborers as one part of this industrial expansion, because it was much more difficult to mobilize skilled labor than other resources such as materials, capital, and equipment, and the inflow of labor greatly influenced the urban society of the destination.

The establishment of those defense projects in Baoji city was the best case of this “three olds supporting three new”. For example, in order to build the Baocheng Meter Plant, the largest meter plant for aviation, the Fourth Bureau of The Second Machine-building Industry Ministry (later the Third Machine-building Industry Ministry) in 1954 selected skilled cadres from old plants in Shenyang 沈阳 (the defensive No. 111, 112, 410 Plants), Ha'erbin 哈尔滨 (the defense plants No. 120, 122 Plants), Nanchang (the defense plants No. 320 Plant), Beijing (the Beijing Meter Plant 北京仪表厂), etc, to go to the Soviet Union to learn advanced techniques. During its relocation to Baoji city in 1955, the Second Machine-building Industry Ministry appropriated hundreds cadres to fill leading positions at all levels and 280

workers from old plants in other places to do the construction. When the construction of this plan was completed in 1957, No. 119 Plant in Shenyang in Liaoning province and No. 221 Plant in Taiyuan 太原 in Shanxi province transferred 957 employees, much equipment and technology, to this plant. And more than thirty plants in Shanghai, Shenyang, Taiyuan, Beijing, including No. 774 Plant in Beijing, Beijing Aviation Institution, and The First Machinery Plant In Northwest, etc., also transferred more than 194 of their employees to it. The Baocheng Meter Plant also received about 500 graduates of Shenyang No. 241 Skill Training School to form the backbone of new workers. This method made the number of employees of the Baocheng Meter Plant increase to 1747 in 1957, and 2745 in 1958.¹²⁰

Chart 12. The establishment of important projects in Baoji city during 1953-7

Name of Project	Sources of their employees
The Baocheng Meter Plant	See above paragraph
The Changling Machine Plant	
The Baoji Engineering Machinery Plant of the Railroad Ministry	Old plants in cities of Jilin, Hebei, Liaoning, Hube, Sichuan province, and so on.
The Second Construction Company of Shaanxi Province	Relocated from Xiaogan city in Hubei province
The Baoji Power Station	Xinqin Power Station in Baoji city, Huxian 户县 and Baqiao 潘桥 Power Stations in Xi'an Municipality

Sources: Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 576; Baojishi Chengxiang Jianshe Huanjing Baohu Weiyuanhui (The Committee of Baoji Urban and Rural Construction and Environment Protection) (ed.), *Baojishi Jianshe Zhi (Historical Records Of Capital Construction In Baoji Municipality)* (Qishan: Qishan Caise Yinshuchang, 1992), p.129; Baoji Fadian Chang Changzhi Bianjie Zu (The Editing Group of *Historical Records of The Baoji Power Station*) (ed.), *Baoji Fadian Chang Zhi (Historical Records Of The Baoji Power Station)*, p. 130.

In turn, these plants also used their personnel, equipment and technology to establish and support other new related plants. The Baocheng Meter Plant finally used this method to establish or support 31 new plants with the same or similar production and 9 research organizations of the Third Machine-building Industry Ministry from the late 1950s to the end of the 1970s, and transferred its 1,877 workers and 43 products to those new plants.¹²¹ The Changling Machine Plant also established and supported 10 new related plants and transferred about 1,000 skilled

workers.¹²² Mr. Huang, an old worker of the jointly-managed Xinqin Mill (former Shenxi Fourth Mill), told me that many old workers of this plant were transferred to 7 new established mills in Xi'an and Xianyang to support the establishment and production of them.¹²³ The First Machinery Plant of Petroleum Industry Ministry (former The Locomotive Plant of the Longhai Railroad) also sent its workers and staff to construct Kelamayi Machinery Repairing Plant of Kelamayi Oil Field 克拉玛依油田 in Xinjiang, the Second Machinery Plant of this ministry in Nanyang 南阳 city of Henan province, and plants in Hebei, Sichuan, and others.¹²⁴

The sources about Shaanxi illustrated that this method of organizational establishment was not only used in industry, but also used in educational organizations. During this period, many higher educational institutes relocated to Shaanxi province (especially to Xi'an city) from the provinces of the Northeast and East of China to produce specialized labor like scientists, technicians and managers. Shanghai Communication University 上海交通大学 was divided into two, and one part relocated to Xi'an in 1956 that became the Xi'an Communication University; the Aerial Institute of East China 华东航空学院 relocated to Xi'an from Shanghai in 1956, and merged with the relocated Su'nan Vocation Training Institute 苏南专科学院 (Jiangsu province), the Northeast Industrial Institute 东北工学院 and Qingdao Industrial Institute 青岛工学院 (Shandong province) into the Northwest Industrial University 西北工业大学; the Military Electric Engineering Institution of the PLA 军事电信工程学 in Zhangjiakou 张家口 city of Hebei province moved to Xi'an in 1956 (now the Xi'an Electric Science and Technology College 西安电子科技大学). With these efforts, the number of higher educational institutes in Shaanxi province increased from four in 1953 to 23 in 1957.¹²⁵

At that time, the old industrial base that could support new bases were only the industrialized cities, especially Shanghai, in the East of China 华东地区, for another industrial base, the Northeast of China 东北地区, was a central region of the FFYP and had to save enough skilled workers for itself. This “three olds supporting three new” initiated a huge migration of skilled labor and their families from eastern to western China.

This method of industrial expansion illustrated the role of the “old industrial bases” in the FFYP. Although these old bases received few new key projects, they still played very active and important roles in this FFYP, because the government commanded that these old bases must supply all kinds of possible supports in labor, capital, technology, etc., to the “new industrial bases”.¹²⁶ Furthermore, this particular relationship between the old industrial bases in eastern China and the new bases in the interior reshaped the national circulation of all kinds of important economic resources, and as mentioned, especially created a large-scale labor (especially specialized and skilled labor) migration from eastern to western China. This labor migration and its influences on urban society of Baoji city will be the central part of the next section of this chapter.

C. The economic results of the FFYP in Baoji city

1. The economic effects of the FFYP in Baoji city

One direct influence of the FFYP on Baoji city was an increase in industrial capacity. The total value of light and heavy industry in Baoji Prefecture (mainly concentrated in Baoji city) increased from 30,350,000 and 47,470,000 yuan in 1953 to 59,080,000 and 92,410,000 yuan in 1957 respectively.¹²⁷ Increases like this were seen throughout the inland provinces (the provinces excluding the 7 provinces in coastal regions), because the inland provinces’ share in national gross industrial value increased from less than one quarter in 1949 to over one third in 1956.¹²⁸

The economic structure of Baoji city also changed very much. From Appendix 3 we find that the share of light industry in the industrial production of Baoji Municipality decreased from 81.7% in 1951 to 75.3% in 1957, while the proportion of heavy industry increased from 18.3% in 1951 to 24.7% in 1957.¹²⁹ The industrial orientation of Baoji city shifted from light industry, especially in textiles, to heavy industry, especially in machinery. This change resulted not only from the construction of 6 plants of defense and heavy industry, but also from the production conversion of existing private enterprises during and after the Socialist

Transformation. For example, the Xinqin Machine Plant (former Machine Plant of the Shenu Group produced textile machinery), the Baoji Machine Plant (formerly the Machine Workshop of privately-owned Daxin Flour Plant) now began to produce derricks and gas-engines. The largest jointly-managed handicraft plant, the Yumin Iron-Works Plant 裕民铁工厂, turned their production from iron pans for living needs to water pumps, agricultural utilities, and so on.

The industrial establishment during the FFYP transformed Baoji city into a important base of defense and heavy industry, but definitely decreased its position as the textile center of Shaanxi province. During this period 7 large and modern mills were established in Xi'an and Xianyang city, while the existing textile plants in Baoji city received little support from the government, except the expansion of the Xinqin Mill.

The importance of Baoji city in transportation and industry stabilized its position as a vital center in regional logistics. We found that many second-level wholesale depots of the Commercial Ministry and the second-level supply and marketing organs of some industrial ministries were located in Baoji city. For example, from 1954, Baoji Division of Chinese General Goods Corporation 中国百货公司宝鸡分公司 (a second-level wholesale depot of the Commerce Ministry) was responsible for the areas in the west of Shaanxi that covered 5 counties of Baoji Municipality, the whole Hanzhong 汉中 Prefecture and Ankang 安康 Prefecture (of Shaanxi province). The eastern three counties in Baoji Municipality were supplied by Xi'an Division (second-level wholesale center). As to hardware and electrical appliance, Baoji Division 中国五金交电公司宝鸡分公司 (second-level wholesale center) extended its supply scope to Tianshui 天水 Municipality and Lanzhou 兰州 Municipality. This pattern applied as well in the supply of grain, oil, cigarettes, sugar and alcohol.¹³⁰ Donnithorne thought the circulation of goods (mostly consumptive) organized by the Commerce Ministry was on the base of administrative territory – from the whole country to the Prefecture and then to the County, and was quite different to Skinner's suggested traditional marketing system.¹³¹ But in the case of Baoji city, we found that the CCP government already realized this difference in

1954, and a more economically rational arrangement very similar to Skinner's model, was formed.¹³²

With respect to the economic relationship among economic enterprises, the urban economy, especially the industry, of Baoji city became fragmented due to the enclosed and vertical ruled economic sub-systems. Enterprises of different sub-systems and with different administrative jurisdictions in Baoji city often had few economic connections with each other, even though this connection was possible and rational. For example, the Changling Machine Plant and the Baocheng Meter Plant were both planned and constructed together, and it was hoped they could share together some workshops, water pump station, and worker training school, etc., to save money and strengthen cooperation. But this quickly proved infeasible because the central government found that it was quite difficult to coordinate these two plants and their managing agencies, the Third and the Fourth Machine-building Industry Ministries. Finally the central government had to decide to build them separately, even though they were neighbors.¹³³ According to the description of Mr. Dong, who retired from the Changling Machine Plant, this plant had little relations with Baoji city in almost all aspects, and the Baoji Municipal Government, even the Shaanxi Provincial Government had no right to direct it, for the administrative rank of its manager was the Deputy of the Fourth Machine-tool Industry Ministry, even higher than the head of Shaanxi province.¹³⁴ Thus, many enterprises in Baoji city, especially those large and modern plants, had much more close productive relations with enterprises in other places in the same sub-system and with the same administrative jurisdiction than with enterprises in Baoji city.

From the earlier paragraphs about the industrial policy and the centralized economic administration, we know that the central government treated different economic sectors (sub-systems) and enterprises within the same sub-system differently in the supply of material, equipment, labor, etc., and this formed an economic work unit hierarchy in Baoji city. Within this hierarchy, at the top were those enterprises that enjoyed sufficient supply of material and equipments with lower prices, got better-educated and more skilled labor from advanced regions, and

they produced according to certain plans and their products were all purchased by related central ministries. In comparison, enterprises at the bottom had to face insufficient material and equipment supply often with higher prices, had to recruit from local lowly-educated and unskilled laborers and in many cases had a shortage of skilled workers;¹³⁵ and their products had to be sold by themselves or through local commercial enterprises according to market needs.

I disagree with the assumption of Bian Yanjie and other sociologists that the enterprises' ownership and the administrative jurisdictions directly and definitely decided the work unit's position in this hierarchy. The paragraphs about the "enterprises with direct supply" already indicated that in the material and equipment supply and labor use, the central ministries often treated some important jointly-managed enterprises and the enterprises managed by the provincial governments the same as enterprises managed by the ministries. In fact, what really decided the position of the enterprises in the work unit hierarchy was the importance of the enterprise's products and production, or in the words of the CCP government, the "production nature 生产性质" of this enterprise.¹³⁶ The role of administrative jurisdiction and ownership on the work unit's position in this hierarchy was only partial.

2. The dilemma of the FFYP in Baoji city

Even though scholars like Chao Kang generally thought the China's FFYP was successful because it did not create as many problems as the Soviet FFYP and China's Great Leap Forward 大跃进 (the GLF),¹³⁷ this Five-Year Plan still had some important and inherent problems. Schurmann, Donnithorne and Eckstein pointed out the problems in the lack of workers and enterprises' initiative under government's strict control, the poor coordination between different ministries and industries, the contradictions between the lagging agricultural output and the government's development policy, and so on.¹³⁸ In fact, the current CCP leaders themselves also realized, even foresaw many of these problems. In 1954, Vice Premier Chen Yun listed 5 big problems that would come up during the FFYP due to

the unbalanced development strategy of the CCP. These problems were the low rate of agricultural production due to insufficient investment (only about 9.5%); the overburdening of old enterprises and those newly established by China that contributed about 75% to increased production while too much investment flowed to new enterprises established with the aid of the Soviet Union; the unbalanced investment between heavy and light industry (7.3:1); and the slow development of basic industry that produced many industrial materials such as petroleum, coal and electricity production when too much investment went to the defense industry; the lack of skilled and specialized labor (the estimated needs of these labor in industry and communication amounted to 395,000, but the graduates from universities and colleges and middle technical schools were only about 285,000); and lastly, the imbalance between social purchase capacity and goods supply capacity (it was estimated that in 1957 the former would reach 50 billion yuan while the latter was hoped to be 46 billion yuan). The resolutions proposed by Chen Yun aimed mainly to establish the People's Commune 人民公社, to import grain and industrial materials, to issue public bonds and encourage saving, and to raise the prices of grain and other agricultural products and to reduce the price of industrial production.¹³⁹

The hardest and lasting problems in Shaanxi province and Baoji city were the low productivity of the state-owned enterprises and the unstable grain supply to the urban areas. The government found that the state-owned enterprises had low productivity and often failed to finish planned targets, and with serious wastage in materials and equipments and low quality of products. The government had to resort to applying stricter industrial management, to ask the commercial organs to only 'selectively purchase 选购' qualified products, and to give the workers further incentive by introducing the piece-rate wage system.¹⁴⁰ Furthermore, the CCP government also repetitively launched the mass campaign of 'increasing output and saving resources 增产节约'.¹⁴¹

With respect to the problem about the grain supply to the urban areas, Solinger attributed it to the negative effect of compulsory delivery institutions in agriculture that were applied by the government in 1953 that made peasants unwilling to

produce more.¹⁴² In the case of Baoji city, we find that this grain supply problem in fact was also connected with the related managing institution. The grain supply to urban areas was conducted by the system of the Grain Ministry and was arranged rigidly according to the annual plans drawn up by the central government. But the FFYP changed greatly every year, which made it difficult for the grain supply organs to adjust their rigid supply plans immediately. This changeability of the economic plans and often the command of accelerating production and construction also forced all kinds of enterprises to stock labor and other materials as much as possible, which in turn led to the desire to stock more grain than what was really needed. This often led to frequent conflicts between grain supply organs and enterprises. One such incident happened in Baoji city in 1956. The Sixth Construction Bureau of the Railroad Ministry 铁道部第六工程局 was responsible for the construction of the Baoji-Chengdu Railroad and was stationed in Baoji city. This work unit relied on the food supply for its 60,000 workers from the Grain Bureau of Baoji Municipality. This was a heavy burden for this grain bureau because this single project scooped up 1/3 of the total grain supply allotted for western Guanzhong Plateau and eastern Gansu Province that were managed by this bureau. But in order to accelerate the construction of Baoji-Chengdu Railroad that was ordered by the central government, the Sixth Construction Bureau wanted to stock extra food for future labor and continuously asked for extra food supply in the name of guaranteeing the construction of the railroad. Since the amount of grain distributed to Baoji Grain Bureau was already decided, the Baoji Grain Bureau had to appropriate a large amount of grain prepared for common citizens to this work unit. The Baoji Grain Bureau finally vented its anger in the *Shaanxi Daily* 陕西日报 in June 1955, and criticized this grain drain of the Sixth Construction Bureau.¹⁴³ Furthermore, the large-scale labor in-migration during this period also put pressure on the grain supply. For before 1955, the exact amount of the supply had been calculated along two different systems: household and work unit, so when someone migrated temporarily, the government very possibly supplied him or her with twice the grain – both in where he or she lived and where he or she worked.¹⁴⁴

These problems in grain supply forced the central government to replace the compulsory delivery of agriculture with the ‘three fixes 三定’ policy (fixed procurement 定购, purchase 定买, and sale 定销) to recover the initiatives of peasants, and to control the consumptive needs of urban areas by the practices of household registration and individually based food rationing in July and August 1955.¹⁴⁵

The use of labor in the FFYP also had many important problems, which prompted the formation of many particular institutions. During this period the pressure on urban employment became serious again. In Baoji city, for example, the Socialist Transformation often merged small private enterprises into large ones that often promoted their productivity and created many redundant workers. The end of the Korean War and the détente in the international situation made the government decide to demobilize many servicemen, who also came to urban areas to search for jobs. However, the central part of the FFYP, the capital-intensive heavy industry only needed very limited numbers of labor with skills and literacy.¹⁴⁶ Under this condition, at the end of 1955 the government had to prohibit the dismissal of the excess labor and the recruitment of new workers over the next several years, and to mobilize abundant workers and staff in commerce created by the Socialist Transformation to work in industrial enterprises.¹⁴⁷

As well, the government regulated the job allocation of demobilized servicemen as “going back to where you joined the army 从哪里来到哪里去” that meant these demobilized servicemen would regain their former jobs before their service. In this way, many demobilized servicemen who came from rural places were sent back.¹⁴⁸ But ex-servicemen who stayed in urban areas often found that they were not welcome by enterprise managers, because they were generally barely literate, and many of them preferred politics than production in enterprises and often used their experiences in the army to challenge the authority of managers who cared more about production.¹⁴⁹ Therefore enterprises often objected to offering jobs to these ex-servicemen, or fired them. This difficulty in finding jobs quickly became a heavy burden for the PLA, and in June 1956 the State Council commanded that the priority of urban labor recruitment should be given to demobilized servicemen. The

State Council declared that firstly, those skilled and experienced servicemen should be distributed into urban jobs; secondly those enterprises, especially those newly established or expanded, should first consider those demobilized soldiers as the candidates of their new laborers; thirdly, many servicemen were organized to be demobilized collectively 集体复员 and to be assigned jobs collectively by the National Defense Ministry 国防部 and Labor Ministry.¹⁵⁰

Another problem in labor use during this period was the mess in labor recruitment due to the frequent change of the FFYP. The year of 1954 was the first year of the FFYP when large-scale construction began. With the encouragement of the government, old and new enterprises all wanted to accelerate their production and construction, and so recruited large numbers of young students or young peasants. This recruitment was quickly stopped by the central government because it was found that the sudden jump in the numbers of urban workers placed heavy burdens on the urban grain supply and led to inflation when so much currency was paid for workers as wages.¹⁵¹ This cycle between the loose and strict control on labor recruitment happened again during 1956-7 when in 1956 Mao Zedong called for accelerating the increase of the rate of the GNP. This sudden pressure forced enterprises to recruit more labor, and in turn the government had to face 2,170,000 new formal workers that surpassed the original plans by more than 100%.¹⁵² In Shaanxi province, workers of state-owned and collective enterprises increased by 12.4%, from 561,000 to 688,000 (see Appendix 1).¹⁵³ Responding to this, in 1957, the central government and Shaanxi Provincial Government cut their investment by 31.3% and 11% respectively, and many projects were cancelled or stopped.¹⁵⁴ The government also declared that all enterprises must stop the recruitment of formal workers (except for graduates of university and demobilized servicemen), and reduce temporary workers.¹⁵⁵ The Second Plenum of Party's Eight Central Committee in 1957 even asked to pause and cancel some less important projects to control the increase of urban labor.¹⁵⁶ Some industries like textile that really needed new workers had to use the redundant labor of its own or other industries.¹⁵⁷ However, the government still prohibited dismissals of redundant formal workers, and asked

that they be given new working posts or to be organized to study politics with the same salary as before.¹⁵⁸

Many of the above problems, such as the low productivity of enterprises, the conflict of grain supply between enterprises and the grain organs of the municipal government, and the mess of labor recruitment, were thought to be strongly connected with the rigidity of the centralized administration by the CCP government. In August 1955, the State Council permitted enterprises to keep certain partial profits after they completed their production tasks. The provincial governments also won the right to do some trivial adjustments to the economic plan according to real conditions in 1956.¹⁵⁹ After this partial adjustment, in October 1957, the Third Plenum of the Party's Eighth Central Committee of October 1957 decided to decentralize the administration on a large-scale and in depth.¹⁶⁰ It will be discussed in the next chapter.

III. The urban society of Baoji city from 1953 to 1957

A. The urban expansion of Baoji city

With this industrial establishment, the urban area of Baoji city expanded from 8 square kilometers to 17.72 kilometers between 1955 and 1957 (see Appendix 2).¹⁶¹ The concentration of the four defense plants and Baoji Power Station in the southern suburban area of Jiangchenbu 姜城堡 town near the Qinling Mountain for the protection in case of possible air attack, and the location of the Baoji Engineering Machinery Plant on the Fulinbu 福临堡 town on the western suburb of the old city near Loess Plateau,¹⁶² created two new urban zones for the machinery industry (see Map 5). To feed new urban residents in these new industrial zones, the Xinqin and Daxin Flour Plants merged into the Baoji Flour Plant and relocated from Shilipu town to Jiangchengbu town. Shilipu town, home to many old light industrial plants, became the zone of light industry.¹⁶³

The spatial distribution of the handicraft industry and urban commerce was also

adjusted. During the Socialist Transformation, the government clustered small handicraft plants and workshops in Renmin 人民 and Xidajie 西大街 Street in former Xiancheng town. As for urban commerce, large commercial shops were concentrated in Zhongshan 中山 Road in Xiancheng town, and the street was transformed into Baoji city's high-level retail area.¹⁶⁴ Other urban areas were divided into dozens of residential blocks 居民区, and every block had only a small number of retail and service shops that served residents' daily needs. Also, scattered urban markets were merged and specialized.¹⁶⁵

What was important in the urban planning was the location of the residential areas of the new plants for their employees. Generally these living areas were just next to or were close to the plants, which meant these living areas were located also in the newly specialized industrial zones. Because the new industrial zones were relatively distant from the old city, the workers who lived in new industrial zones could not easily enjoy many of the urban services in the old cities, even though after the Socialist Transformation the government re-emphasized the decentralization of urban commerce and service. On the other hand, the inadequate infrastructure during this period also meant the municipal government could not solve this problem either by offering easy urban transportation, or by building needed public facilities and services in the new zones. Because of this, we find that the plants themselves had to offer the commerce, services, living accommodations, etc., to its employees. For example, the Baocheng Meter Plant around 1958 had its living floors and dormitories, clinic, public bathroom, club, schools, canteen, etc., for its employees.¹⁶⁶ As Appendix 10 shows, other machinery plants followed suit. Generally, the facilities in the residential area of one enterprise were permitted to be used only by the employees of this enterprise. With almost all functions provided in the residential areas and with little spare time, meant all these workers worked, lived, and entertained together with their workmates. The results were that the working relationships became the basic way of urban employees to make personal ties in urban society, and also that the workers had to be seriously dependent on the welfare supply of their enterprises. This reliance and self-contained living and working space

greatly strengthened the importance of the work unit in Baoji city, especially in its social stratification.

By the end of the FFYP, Baoji city was composed of four parts: the old city (Xiancheng, Xinshi and Weibin towns), Shilipu, Fulinbu, and Jiangchengbu towns. These areas were separated from each other by the Wei River and its branches (Jinlin River, Qingjiang River and Yujian River), and connected by 11 bridges and several main roads.¹⁶⁷ According to the government's revised urban plan in 1959, the center of Baoji city shifted from the Zhongshan Street in former Xiancheng town to the Jing'erlu Street in former Weibin town, the small areas between Xiancheng town and the Wei River.¹⁶⁸

B. The labor in-migration in Baoji city

The urban population of Baoji city was stable in 1949-52, but then suddenly increased by about 81% during 1952-57, from 72,500 in 1952 to 131,000 in 1957 (see Appendix 2).¹⁶⁹ This rapid population increase in Baoji city was due mainly to the arrival of the wave of in-migrants from eastern China who worked in many important defense and heavy industrial projects.

The urban plan of Baoji city made in 1955 showed that most of the new workers in Baoji city came from outside. The government estimated that the establishment of the Baoji Power Station and the Baoji Engineering Machinery Plant of the Railroad Ministry would increase the number of urban workers by 1,000 urban workers, and the expansion of old plants and the railroad organs would increase urban workers by 3,000. The construction of the Baoji-Chengdu Railroad also needed another 2,000 skilled workers. According to the survey of old plants in Baoji city that showed that the ratio between employees and their family members was 1:3, the Baoji Municipal Government estimated that the urban population would increase by at least 18,000 urban residents from 1955 to 1957.¹⁷⁰ This calculation clearly showed that the government did not plan to recruit most new workers from existing residents but from other places according to the special needs of these projects for specialized and skilled workers that could be only supplied by the cities in the

eastern China, as discussed above.

Even though this 1955 urban plan was changed several times after 1955, we can also find from the descriptions about the “old plants supporting new plants” that the employees of the new and important projects came from the eastern provinces. The in-migrated employees of the two biggest plants in Baoji city in 1957, the Changling Machine Plant and the Baocheng Meter Plant, amounted to 3,747. If added to the in-migrated employees in the Baoji Engineering Machinery Plant of the Railroad Ministry, and the Shaanxi Second Construction Company, and the 200 in-migrated technicians and skilled workers in the Baoji Petroleum Machinery Plant, the number of in-migrated labor from eastern provinces in Baoji city should be higher. So we can say that during this period from 1954-7 the main portion of new residents in Baoji city were in-migrants from eastern China, when the urban residents increased by only 5,850.

The main source of this migration of skilled laborers and young laborers with high literacy was the industrial cities in the region of the East of China 华东, especially Shanghai. From Shanghai's statistics, it was estimated that during the FFYP Shanghai Municipality offered 336,500 skilled and unskilled workers to other places of the whole nation, and trained 8,000 new workers among young people with high literacy in Shanghai for other places.¹⁷¹ In general, it was said that Shanghai relocated 272 small factories of light industry with their 17,000 workers to the northwestern region, and exported 35,000 technicians and skilled workers to Shaanxi from 1953 to 1960.¹⁷² It was also said that during 1953-7, Xi'an city and Lanzhou city in Guansu province had 130,000 workers who in-migrated from Shanghai.¹⁷³ More specifically, in 1953 alone the Construction Ministry and The Second Machine-building Industry Ministry mobilized 4,082 workers (3,657 of them were skilled workers) to migrate from the East of China to Shaanxi in 1953.¹⁷⁴ In 1956, about 22,326 formal and temporary builders were mobilized to move to Shaanxi for the construction of important industrial projects and the Baoji-Chengdu Railroad.¹⁷⁵ In the textile industry, Shanghai and other old industrial cities trained 4,248 unskilled young workers (3,633 came from Shanghai) and sent them to work in new mills on

the Guanzhong Plateau.¹⁷⁶ The relocation of Shanghai Communication University also forced about 6,000 teachers and students to move from Shanghai to Xi'an city.

¹⁷⁷ In Baoji city and Guozhen town of Baoji Prefecture, by the end of the 1950s, nearly 3,000 laborers in Shanghai migrated to Baoji city.¹⁷⁸

Of course, the labor that in-migrated into Shaanxi province came not only from Shanghai. Before 1955, the Organization Ministry 组织部 of the Central Committee of the CCP and Personnel Ministry 人事部 of State Council mobilized about 2,200 skilled cadres to migrate to Shaanxi from the provinces of Central China, Southwest, North of China, from the central ministries and the PLA, under the call of “appropriating cadres to support the Northwest 调配干部支援西北”. After that, the CCP government transferred about 800 specialized cadres to Shaanxi to be responsible for the establishment of the defense industry from old defense enterprises in the Northwest, North, East, and Southwest of China.¹⁷⁹ One of my interviewees, Mrs. Huang and her husband Mr. Du, who were old revolutionary cadres of Shandong province, migrated from Shandong to Henan province and then to Baoji city during the 1950s as the higher-level cadres for the establishment of this kind of projects of the FFYP. She told me dozens of their workmates came together to Baoji city as the heads of many economic organs of the Baoji Municipal Government responsible for the industrial construction and management, when the projects in Henan were finished.¹⁸⁰ It was said that in Shaanxi many workers of machinery and defense plants came from the cities of the Northeastern Region, Beijing and Tianjin, and many railroad workers in-migrated from Henan province because the railroads in Shaanxi province was managed by the Railroad Bureau of Zhengzhou 郑州铁路局 in Henan province. In the textile industry, old plants in Sichuan, Shandong and Jiangsu province also sent many workers to Shaanxi. In addition, the construction industry and coal mines in Shaanxi received considerable numbers of workers from Jiangsu, Shandong and the provinces of the Northeast.¹⁸¹

In fact, the government's efforts to direct this labor flow met with much resistance. The best example is the halt to the relocation of Shanghai Communication University. In 1956, when the Hundred Flowers campaign began and the CCP

government loosened its control over dissenters, many students and teachers of this university openly expressed their objections to this relocation and the government had to stop the relocation to negotiate with students and teachers. Finally, Shanghai Communication University was split into two parts, and the part in Xi'an was finally called Xi'an Communication University.¹⁸²

A similar situation also emerged at the Skill Training School of the Baocheng Meter Plant of The Second Machinery Industry Ministry. To prepare the skilled labor for this plant, The Fourth Machinery Industry Ministry appropriated 399 students from 119 Plant in northeastern region to this technical school in 1956, of course by using political pressure and mobilization and some promises. But after the students came to Baoji city, they thought it backward and found the plant reneged on its promise. These students launched a strike and many of them planned to go back to the northeast.¹⁸³ Some temporary workers who came from Changzhou 常州 city complained of the dull life in Baoji, for there was no entertainment, no media¹⁸⁴. Many young workers even abandoned their jobs and went back.¹⁸⁵

In contrast, the government continued its prohibition on the free labor flow from rural to urban areas during 1953-57, and institutionalized it with the some important policies, such as the household registration system, and the rationing system. This negative view of the CCP government toward the free migration of rural labor resulted from the following considerations: this migration would overburden the urban food supply, impact urban employment, and cause the shortage of rural labor for agricultural production.¹⁸⁶ The CCP government took all kinds of methods to prevent this flow under any conditions, even during hard times in the rural areas.¹⁸⁷ For example, in 1955-56 when Anhui, Henan, Shandong, Jiangsu and Hebei provinces suffered the severest floods and drought since the 1940s, about 6,500 refugees from these provinces flowed into Baoji city and nearby places, repeating the pattern seen after the natural disasters in the 1930s and 1940s. However, because they were regarded as a big potential problem for social security and a burden for local government, all these refugees were not permitted to be employed in Baoji city and were sent back to their homes by the Baoji Municipal Government.

The government offered some temporary jobs for refugees from the hardest hit areas but sent them back once the situation of their homeland recovered.¹⁸⁸ The long-term result of this restriction on labor migration from rural to urban areas as Andrew Walder argued made the Chinese urban working class a closed social group.¹⁸⁹

C. The social stratification in Baoji city: the work unit system

1. Social stratification from the horizontal view

Eight years after the CCP regime had been established in Baoji city, the occupational system changed greatly. Many non-productive occupations vanished, and some productive occupations, because they were considered useless in the eyes of the CCP government, were also wiped out. The result was the formation of vertical social stratification based on the division of cadres, intellectual and workers, and the horizontal social stratification based on the work unit system.

The regime transfer between the GMD and the CCP had its greatest impact on those old higher social classes, or ‘exploitative classes’, that included the bureaucrats or capitalists, for they became the main target that new government suppressed and transformed. However, this breakdown of the old higher social classes did not mean the so-called master of new China, the working class, assumed power.

It was generally agreed that sociologically most people of the PRC were divided into two basic groups based on the occupational and political identity: cadres (干部) and the masses (群众). The descriptions about the re-establishment of organizations during this period already revealed the characteristics of cadres in Baoji city. Many cadres in Baoji city and other towns of Baoji Municipality were those who in-migrated from the old ‘Revolutionary Root Areas’ and coastal areas. From the sociological view, these in-migrated cadres were quite a superior group to other cadres. They did not experience salary decrease even though the cost-of-living index in Baoji city was much lower than cities in coastal regions like Shanghai. For example, local archival documents proved that cadres from Shanghai in the banking

system still kept their salary and bonus just as in Shanghai. Even their spouses were offered good jobs in Baoji city.¹⁹⁰ This could be explained as the government's compensation for these cadres' in-migration. On the other hand, the cadre as a stratum was opened only to the activists in the masses. For the most part, the workers were unable to change their status and political identity.

Besides this vertical social stratification on the base of political identity, another important – perhaps more important – principle of social stratification in urban society was the emerging work unit system as the institutional result of some of the government's policies.

The fact that the CCP government leaned its policy towards state-owned enterprises and enterprises in important sectors, along with the government's control of many important materials, meant that some enterprises could get better bank loans, receive better and stable material supply with lower prices, etc., than other enterprises, and then could make more profits and offer their employees better wage, bonuses, and welfare (social welfare, living accommodation, and so on), or better social prestige.¹⁹¹ But the long tenure employment (except for temporary workers) – or the “iron rice bowl 铁饭碗”¹⁹² – as the result of the government's restrictions on the free dismissal of workers by enterprises and free job turnover by individuals,¹⁹³ made these social differences very important in urban China, because urban employees were almost impossible to avoid these social differences caused by the work units by changing jobs.

The legitimate formation of these differences based on the economic work unit hierarchy happened in 1956, when the CCP reformed the national wage system and established a unified wage hierarchy including almost all kinds of organizations. According to this reform, people were divided according to their work units' functions: employees of governmental agencies, non-productive institutes 非生产性事业单位, and enterprises. Because of the relatively small number of employees in non-productive institutes and governmental agencies, I will concentrate on the occupations of enterprises.

The aim of this wage reform in 1956 was to correct the so named “wage

inversion”, which meant the government prepared to give higher wages to industry regarded as strategic by the CCP government, and to pay higher wages for skilled old workers and workers of state-owned enterprises.¹⁹⁴ Different regions, areas, economic sectors, industries and enterprises had different wage systems. In economic sectors, wage systems in industry were higher than in commerce and service, while wage systems in heavy industry were higher than light industry. Even in the same industry, different plants with different productive importance symbolized by their extent of mechanization, also applied different wage systems.

This wage reform was wave-like in Baoji city, for it first started from the enterprises managed by the central ministries and provincial government, then rippled down to the enterprises managed by Baoji Municipal Government, and finally extended to the collective handicraft and commercial cooperative in 1957.¹⁹⁵ The wage reform was first started in the enterprises of central ministries because the modernity, high-mechanization, and presence of high-skilled labor in these enterprises could be established as the reference system for other enterprises. Other enterprises, according to their differences in mechanization, technology, worker's skill compared to these large modern enterprises, were classified correspondingly into several levels. The concrete wage level of individuals in the wage system used in their enterprises were assessed and decided by a so named “democratic public evaluation 民主公开评定”. But cooperative handicraft and commercial organizations did not implement the unified wage systems made by the government, for the wages of these cooperatives came from their shared profits, which meant the wages of these people were not stable.¹⁹⁶

We must discuss here again the work unit hierarchy that was important to the formation of wage differences between enterprises. The divisions within the sub-economic system (commerce/industry, light/heavy industry, etc.) were one important element determining these differences. Another important element was the importance of one enterprise in its sub-economic system, or industry. Just as I argued in the paragraphs about the economic work unit hierarchy, the ownership and administrative jurisdiction of enterprises had no definite and direct influence on the

wage differences.

Mr. Huang and Mr. Cao, both old workers and staff of plants of jointly-managed Xinjin Group (former Shenfu Group), told me after the wage reform in 1956 their wage systems were still higher than other local state-owned enterprises in Baoji city, and Mr. Huang felt the wage system of Shaanxi Twelfth Mill (formerly the Fourth Mill of Shenxi Group) was equal to other newly established large modern mills with state-ownership in Xi'an and Xianyang city.¹⁹⁷ This proved that the ownership was not the decisive element in the formation of wage differences, especially concerning large-sized jointly-managed enterprises. Only after 1966, when all joint-managed enterprises were transformed into state-owned enterprises, the differences between state-owned and collective enterprises became clear. But this difference was still closely related to the productive situation of enterprises, for collective enterprises after 1966 were mainly handicraft and commerce cooperatives and street enterprises.

With respect to the role of administrative jurisdiction of enterprises, the best examples were those enterprises that were managed by the municipal government but were still very important to national production. The Baoji Machine-tool Plant was established in the 1960s and devolved from the First Machine-building Ministry to Shaanxi Provincial Government and then to Baoji Municipal Government. Mr. Zhu who once worked there told me that the wage system of this plant belonged to the second level system of machinery industry (just the same as the Shaanxi Machine-tool Plant of Shaanxi Provincial Government) because its products were precision machine tools. The Baoji Forklift Plant that devolved to the Baoji Municipal Government after the 1970s also belonged to the second level machine-tool industry and had the same wage system as the Qinhuang Machine-tool Plant of The First Machinery Ministry.¹⁹⁸ The wage systems of these two enterprises were all higher than other machinery plants managed by the Baoji Municipal Government. Although these two enterprises were established and relocated in Baoji city in 1960s, because no great change happened to the whole wage system after 1956, I think these two cases can be used to explain the situation of the 1950s. This

point can also be proved by officially edited historical records, for they said that if the enterprises managed by provincial government had the same or similar “productive nature 生产性质, productive scale and equipment 规模设备, technology and skill 技术水平, and existing wage system 工资现状”, these enterprises could implement the same wage system like enterprises of central ministries, even though it was common that the wage system of the enterprises of the central ministries normally was higher than their counterparts managed by the provincial and municipal governments by 2.5% to 20%.¹⁹⁹

Even within the important and large modern enterprises with the same mechanized level, the differences in wages still existed. Mr. Dong, who retired from the Changling Machine Plant of The Fourth Machine-building Ministry, said that even his plant's wage system was the same as the Baocheng Meter Plant of The Second Machine-building Ministry with similar mechanization level, but all of his workmates could earn a special 20 yuan bonus every month more than the workers in the Baocheng Meter Plant could earn, because the radars he and his workmates made were labeled as “secret products 保密产品”.²⁰⁰

According to the above description, it could be said the wage differences between the same cohorts were formed on the wage differences between enterprises, when the individual wage increase relied mainly on one's working seniority according to the wage reform in 1956.

To get a bonus meant that the enterprises must complete their production plans first, or in other words, to get a bonus relied on the capacity of enterprises to make a profit (of course the role of workers was part of this capacity), which was closely related to the position of one enterprise in the work unit hierarchy. To make profits by enterprises mainly involved two aspects: its productive capacity and the market demands for its products. In the command economy of China, different enterprises often faced different conditions in these two aspects. If plant “A” belonged to the enterprises with “direct supply (of material)” for it produced the centralized managed products and was very important in national production, “A” enterprise could get the sufficient supply of materials and equipment (at low price), capital, skilled labor

from, and sell all qualified products to related central ministries. At the same time, if “B” plant in the same sub-system was labeled as the plant with “indirect supply” because of the relative unimportance of its products and production, this plant had to search for its materials and equipments through local organs of related commercial company of the Commerce Ministry, and often faced shortages of materials and products. At the same time, their products also had to rely on market needs, and were often overstocked. So it was very clear that “B” would face many more difficulties than “A” when trying to fulfill their production plans and to make profits. Consequently, the workers of “B” often could not earn their bonus like those of “A”.

During this period, the social welfare given by enterprises to their employees was decided mainly according to government’s plans, not to the enterprise’s will and its ability to make profits. The provision of facilities for new enterprises for social welfare, such as living accommodation, kindergartens, and schools for employees’ children, were generally planned and constructed with the establishment of the plant under the arrangement of the Construction Ministry. And the investment on living accommodation and amenities directly came from the managing ministries (this is the example of centralization in the fiscal system that I discussed before). But with the slackening of government control over enterprises and many fiscal powers given to enterprises after this period, the enterprises could use part of its profit (very limited) to offer certain social welfare to its workers. And profitable enterprises could offer more social welfare and provide more amenities to their employees than those barely profitable enterprises.

After the above analyses, it was clear that in the horizontal view a social work unit system emerged. In Baoji city, we found that the “enterprises with direct supply” of defense and heavy industry could offer their employee higher economic incomes and better welfare than other enterprises. Following it were those old large enterprises in light industry managed by the provincial government, often together with the jointly-managed ownership. The small enterprises managed by the municipal government, which were often the newly transformed enterprises from small handicraft and private enterprises, had the lowest wage system and worst

social welfare. At the same time, there were also differences in income and welfare among different economic sectors (industry, commerce, and service). After the Socialist Transformation when the wages became the main or the only economic income of urban labor, and the social welfare of urban residents were dependent heavily on the capability of the enterprises due to the underdevelopment of urban construction during this period, it was obvious that the economic and social differences among urban employees and their families were mainly decided by the different positions of their work units in the broader national economic scheme.

The influence of this work unit system were not only limited to workers, but also to the stratum of cadres. In general, the CCP government often divided cadres into more specific types according to the specialized fields: cadres of party and politics 党政干部, of finance and economy 财经干部, of education and culture 文教干部, of communication and industry 工交干部, and so on.²⁰¹ This division seemed not to have created wage differences, because all cadres were classified into several wage levels and cadres in the same level had the same wage. But in social welfare and other things offered by the work units, the differences still existed. From local newspapers, we found that local cadres tried their best to avoid working in cooperative handicraft associations, which maybe were the only industry under the control of local government at that time, because of the low wages and the then popular contempt towards those cooperative handicraft organizations. It was said that the preferred jobs of cadres from top downward were: those in the Party, those in the government, those in the financial and economic sectors, and lastly, those in the handicraft trade. The reason for this discrimination came from the pressing factors of hard work, low salary, and slow and irregular pace of production for the difficulties of getting capital, equipment, and materials.²⁰² Similar problems can be seen in the serial discussion about the contempt of handicrafts in the *Shaanxi Ribao* (Shaanxi Daily) in late 1956.

2. Who got the better jobs?

Sheila Oakley pointed out that after the Socialist Transformation, the CCP

government became the most important, if not the only one, employer of urban labor, and controlled all aspects of labor use, including employment, allocation, labor management, and so on.²⁰³ Following this description of the general characteristics of the labor policy of the CCP government, we may next ask: how did labor employment and allocation in the urban areas operate, and who got the better jobs?

From the paragraphs about the method of industrial expansion and the in-migration of specialized and skilled labor, it was very clear that people from the coastal regions occupied jobs of the better industrial enterprises. Local labor in Baoji city and other areas of Baoji Municipality and Prefecture had to search for jobs in the enterprises with lower status in the economic work unit hierarchy and social work unit system. What was more, we found that even these in-migrants who were engaged in lower jobs also had the chance to upgrade their status. One example was the case of the temporary builders from Shanghai.

In the March 1956, 14,000 unskilled laborers in Shanghai, most of them were former commercial and handicraft workers and young men without any skills, were mobilized as the one-year temporary builders for the industrial establishment in Shaanxi and the construction of the Baoji-Chengdu Railroad. However, when the central government decided to develop Shanghai and other cities in coastal regions in the middle of 1956 and then there were increasing needs for new labor, these temporary workers all wanted to return. This frightened the governments of both Shanghai and Shaanxi, because if these workers went back it would delay the project construction in Shaanxi and intensify the employment burden in Shanghai. The Shanghai government reacted by limiting the range of worker recruitment. The Shaanxi Provincial Government also took several methods to pacify these temporary builders. Firstly, the government promised to prolong the contract with them for another year. Secondly, the government classified these people according to their skills, and transformed 1,124 people with special skills into formal workers in industry and construction, and transferred about 3,000 people to state-owned commercial jobs. Thirdly, many young workers were selected to be the apprentices in a wide range of industries and could be reclassified as formal workers. Fourthly,

the Northwest Construction Management Bureau claimed that 20% to 30% of these temporary workers would be upgraded as formal workers after they finished their contract.²⁰⁴ But in 1957 when many projects were finished and there were no needs for so many temporary builders, all these temporary workers were transformed into formal workers due to their struggle and bargaining with the government. These temporary builders complained that in the previous year they wanted to go back but the government did not let them go. Now the government wanted to fire them when the duration of their contract was not finished and the unemployment in Shanghai was serious. Facing the pressure from these people, Shaanxi Provincial Government had to make good its promise. It dismissed all temporary workers who came from the rural areas of Shaanxi, but transformed all these temporary workers from the East of China into formal workers²⁰⁵. In Baoji city, these people were mainly the workers of The Fifth Subdivision of The First Construction Bureau of Railroad 铁道部第一工程局五处, which stayed in Baoji after the construction of the Baoji-Chengdu Railroad, and Baoji Construction Team 宝鸡市政工程队 (finally upgraded as Shaanxi Seventh Construction Company 陕西省第 7 建筑公司 in 1958).²⁰⁶

Some labor policies also influenced job attainment. For example, demobilized servicemen had priority in urban job allocation.²⁰⁷ In Baoji city, these demobilized servicemen became an important source for new workers in the defense and heavy industrial plants. Certain groups of employees of the Changling Machine Plant and the managerial cadres of the Fenghuo Machinery Plant (built after 1957) were demobilized service persons and officials.²⁰⁸ Only in 1953 the First Machinery Plant of the Petroleum Industry Ministry recruited 219 demobilized servicemen.²⁰⁹ The Lingyun Wireless Equipment Plant of The Fourth Machine-building Industry Ministry, another important defense factory built after 1957, recruited 950 demobilized servicemen during 1950s-70s.²¹⁰

From then on, the work unit identity of one person also became one important element in deciding the job attainment of his family members because of the recruitment policies of “children replacement 子女顶替” and recruitment from insider 内部招工 (or in the words of Mark Frazier, ‘replacement’ by children and hiring of

family). These two policies at first were used only in those old enterprises of light industry and textile industry in 1956, as a compromise to encourage old workers with low working capacity to retire. According to these two policies, during the new worker recruitment of these old enterprises, one of those old workers' families with an urban household 城市户口 could be recruited, and when old workers retired, one of their children could directly become the new member of the enterprises.²¹¹ For instance, in June 1956, among 8,001 new workers enrolled by the Northwestern Textile Management Bureau, 3,000 workers came from the families of old workers.²¹²

When the in-migrants took the better jobs and then had better status in horizontal social stratification, we sought to find out more about their relationships with the people who already lived in Baoji city. How about the relationships among themselves? Shi Yizhi 时逸之, a Deputy President of Shaanxi had once mentioned that the conflicts between in-migrated workers and local workers in Shaanxi were significant.²¹³ From the information about the construction of the Baoji-Chengdu Railroad, we learnt that the in-migrated workers regarded the culture, tradition, custom, and life of Shaanxi people as backwards. But no other sources proved that serious conflicts existed between them, and these in-migrants had based their personal identity on their original place such as home province. On the contrary, my interviewees all agreed that they limited their lives in their work units, and had little contact with other in-migrants from the same place. This illustrated the deep influence of the work unit system and other institutions of communist China in the social segmentation in cities.

The Socialist Transformation had some influences on the status change of some sections of workers. In this campaign, some temporary workers of private enterprises became formal workers with the transformation of private enterprises. For example, it was reported that with the joint-management of several small private brick plants, 150 temporary workers were transformed into formal workers.²¹⁴ And many employees in transportation, service, and commerce were mobilized and transferred to industrial production.²¹⁵

All in all, the urban society of Baoji in this period had already begun to be divided into many parts by the hierarchy of enterprises (vertical and horizontal), by the subjective identity of residents (place of origins and the work unit they served). But this was only the beginning of the trend.

Conclusion

The economic problems in the early years of the 1950s impacted differently to the CCP government and the private economy. In its battles with the economic crisis and unemployment, the CCP government gradually controlled many important economic resources, and quickly transformed the Chinese economy into a command and planned economy. On the contrary, the private economy was weakened by the economic crisis and the CCP's pressure, and finally almost completely died out.

To operate the command economy, the CCP government established a centralized administrative system. The central government divided the national economy into different specialized sub-systems according to different production areas. In the management of these sub-systems, even though the central government had to share its powers with the lower-levels of governments with its limited capabilities, it was the specialized ministry that took the main responsibilities of management in production, material allocation and circulation, labor use, and so on.

To Baoji city, the First Five-Year Plan, the first industrialization strategy of the CCP government, started only in 1955, and was changed several times for security reasons. The sources of Baoji city revealed that this plan in fact favored the defense and heavy industry and centered on the interior for the consideration of national security. With the establishment of new and large modern plants of defense and heavy industry and the restructuring of private industry and handicraft in the Socialist Transformation, not only the industrial capacity of Baoji city increased, but also its industrial orientation changed from light industry to heavy industry. The establishment of those important projects of heavy and defense industry and the favored treatments of the government towards them, created an economic work unit hierarchy in Baoji city, in which the status of these enterprises of heavy and defense

industry were higher than other enterprises in Baoji city.

This industrialization strategy, together with other policies of the CCP government had very important influences on the urban society of Baoji city. The government's efforts to solve urban unemployment led to a great change of labor employment and labor migration between rural and urban areas. With the prohibition of firing workers, permanent labor employment emerged as an important part of the work unit system, while free labor migration and flow from rural to urban areas was restricted and controlled by the CCP government to lessen the employment burden. On the other hand, industrial expansion in the interior directly initiated the westward migration of large numbers of skilled labor from the coastal regions, in which Baoji city received thousands of skilled workers for the establishment of those modern plants, and many unskilled workers for the construction of the Baoji-Chengdu Railroad. However, we find that these new in-migrants often had better positions in the horizontal work unit system in social stratification, when the 1956 wage reform legitimized the economic income differences between enterprises according economic sector, industry, and production importance.

Notes:

- ¹ Luo Jialun (et al.), *Xibei Jianshe Kaocha Tuan Baogao*, p. 305; Vermeer, *Economic Development In Provincial China*, p. 392; Baojishi Jixie Gongye Ju (The Machinery Industrial Bureau of Baoji Municipality) (ed.), *Baoji Jixie Gongye Zhi: 1937-85 (Historical Records Of Machinery Industry In Baoji Municipality)* (Baoji: 1990, unpublished), p. 57; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 26; Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, p. 67.
- ² Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 773, 768.
- ³ "Baoji chengqu shangye", *Jintai Wenshi Ziliao*, Vol. 9 (1993), p. 38; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 1021 and 1028.
- ⁴ Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe (China Today: Capital Construction)* (Beijing: Zhongguo Shehui Kexue Chubanshe, 1989), Vol. 2, p. 167.
- ⁵ In 1949 Shaanxi province had ten machine textile factories with about 10,020 workers and could produce 7,300 tons yarn and 34,430 kilometer clothing per year. Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, p. 33.
- ⁶ *The Bulletin Of Statistical Works*, No. 21 (1956), pp. 6, 7, quoted from Chao Kang, "Policies and performance in industry", in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, pp. 557-58.
- ⁷ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 75.
- ⁸ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 773.
- ⁹ Baojishi Gongshangye Zhe Zuzhi Zhi Bianxie Zu (ed.), *Baojishi Gongshangye Zhe Zuzhi Zhi*, p. 71.
- ¹⁰ This kind of plants in Baoji Municipality included the state-owned Longhai Railroad Locomotive Plant and the enterprises of the Yongxing Group of the Bank of China (in fact it was controlled by Song Ziwen 宋子文).
- ¹¹ Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, p. 4.
- ¹² Baojishi Jinrong Zhi Bianzuan Bangongshi (The Editing Office of Financial Historical Records Of Baoji Municipality) (ed.), *Baojishi Jirong Zhi (Financial Historical Records Of Baoji Municipality)* (Baoji: 1989, unpublished), pp. 15-7; Baojishi Shuiwu Ju (The Tax Bureau of Baoji Municipality) (ed.), *Baojishi Shuiwu Zhi (Historical Records Of The Taxation In Baoji)* (Baoji: 1989, unpublished), p. 205.
- ¹³ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, pp. 389, 395.
- ¹⁴ Rawski, *Economic Growth And Employment In China*, pp. 6-7; Gluckstein, *Mao's China*, pp. 123-25.
- ¹⁵ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (Baoji: 1991, unpublished), Chap. 14, p. 31; Baojishi Laodong Ju (The Labor Bureau of Baoji Municipality) (ed.), *Baojishi Laodong Zhi (Historical Records Of Labor In Baoji Municipality)* (Baoji: 1993, unpublished), p. 21.

¹⁶ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 282.

¹⁷ Guojia Tongji Ju (The Statistic Bureau of the central government), “Guanyu Woguo Siying Gongye Shehuizhuyi Gaizao De Guocheng (the process of socialist transformation of national private industry) (Sept 13, 1956)”, in Zhongyang Dang'an Guan (The Central Archives) and Zhongguo Shehui Kexue Yuan (the CASS) (ed.), *Zhonghua Renmin Gongheguo Jingji Dang'an Ziliao Xuanbian: Gongye Juan, 1949-1952 (The Selective Collection Of Economic Sources Of The PRC: Industry)* (Beijing: Zhongguo Wuzi Chubanshe, 1998), p. 328.

¹⁸ He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli (China Today: Labor Management)* (Beijing: Shehui Kexue Chubanshe, 1990), pp. 7, 44-45.

¹⁹ *Renmin Ribao*, Nov. 26, 1952. In Rawski's eyes, this policy initiated the peculiar restrictions of the CCP government on the traditional free migration of peasants to urban areas. Rawski, *Economic Growth And Employment In China*, p.7.

²⁰ Zhengwuyuan (The Political Affair Council), “Shiye Dengji Banfa (methods of unemployed registration) (Oct., 1952)”, quoted from Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi (Historical Records Of Shaanxi Province: Labor)* (Xi'an: Shaanxi Renmin Chubanshe, 1994), pp. 73, 78; Freund, *Forging Ahead*, p. 185

²¹ “Ruhe Zhengque Duidai Shougongye (how to treat handicraft correctly)?” *Shaanxi Ribao*, from Dec., 1956 to Jan., 1957.

²² Baojishi Minzheng Ju (The Civilian Bureau of Baoji Municipality), “Woshi Youmin Gaizao Gongzuo Jihua (the vagrants transformation plan in our city)” (March 31, 1956), Baoji Archives, 23-2-56-12, p. 62.

²³ Zhang Yichen (the current Head of Military Management Committee of Shaanxi Province), “Guanyu Jiaqiang Siying Changkuang Guanli Yu Fudao Gongzuo De Yijian (the suggestions for strengthening the management and supervision of private enterprises) (Jan., 1951)”, in Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao Bianweihui (The Editing Commission of The Socialist Transformation of Chinese Capitalist Industry and Commerce) (ed.), *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao: Shaanxi (The Socialist Transformation Of Chinese Capitalist Industry And Commerce: Shaanxi Province)* (Beijing: Zhonggong Dangshi Chubanshe, 1992), pp. 70-1.

²⁴ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 1028. From the end of 1950 to 1953, Baoji Municipal Government reorganized three times all kinds of guilds and merged 42 guilds into 24. Baojishi Gongshangye Zhe Zuzhi Zhi Bianxie Zu (ed.), *Baojishi Gongshangye Zhe Zuzhi Zhi*, p. 71.

²⁵ Frazier, *The Making Of The Chinese Industrial Workplace*, pp. 115-125.

²⁶ Baojishi Renmin Weiyuanhui (The People's Committee of Baoji Municipality), “Baojishi Shougongye Jiben Qingkuang Si Nian Lai Zengjia Bijiao Biao (the comparison chart of the handicraft industry's fundamental situation in last four years)

(Feb. 25, 1954)", in Baoji Archives, 27-1-13-3, p. 34.

²⁷ Chen Xianqiao, "Xibei Gonghe Zai Baoji De Chansheng Fazhan He Jieju", *Baoji Wenshi Ziliao*, Vol. 1 (1984), pp. 119-20.

²⁸ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 768-9.

²⁹ Monopolized materials and products increased to 55 in 1952, and they were managed by a special organs of Zhengwuyuan Caijing Weiyuanhui (the Financial and Economic Commission of Political Affair Council), Wuzi Fenpei Chu 物资分配处 (the Division of Material Allocation). See Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 4, 6; "Shaanxi Siying Mianhua Hangzhan He Mianbu Shang De Shehuizhuyi Gaizao (the socialist transformation of private cotton and clothing shops of Shaanxi Province)", in Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao Bianweihui (ed.), *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao: Shaanxi*, p. 640; Zhongyang Caijing Weiyuanhui (the Financial and Economic Commission of central government), "Tonggou Miansha De Jueding (the decision of unified purchase yarn by the state) (Jan. 4, 1951)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu (Records Of The People's Republic Of China)* (Changchun: Jilin Renmin Chubanshe, 1994), Vol. 1, p. 426.

³⁰ Premier Zhou En'lai, "Guodu Shiqi Zong Luxian (the general lines for intermediary period) (Sept. 8, 1952)", in Zhongyang Dang'an Guan (et al) (ed.), *Zhonghua Renmin Gongheguo Jingji Dang'an Ziliao Xu bian: Gongye Juan, 1949-1952*, pp. 270-1.

³¹ Baojishi Renmin Weiyuanhui, "Baojishi Shougongye Jiben Qingkuang Si Nian Lai Zengjia Bijiao Biao (Feb. 25, 1954)", in Baoji Archives, 27-1-13-3, p. 34.

³² Zhongguo Gongchandang Baoji Diqu Weiyuanhui (The CCP Committee of Baoji Prefecture), "Diwei guanyu gongshangye qingkuang ji muqian cunzai wenti he yijiande baogao (the report about current industrial and commercial problems) (Aug. 7, 1952)", in Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao Bianweihui (ed.), *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao: Shaanxi*, p. 143.

³³ "Shaanxisheng youguan chengshi gongzuo jige wenti de baogao (the report about some problems of Shaanxi's cities) (Apr. 23, 1951)", in Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao Bianweihui (ed.), *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao: Shaanxi*, p. 96; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 27.

³⁴ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 131.

³⁵ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 25.

³⁶ Schurmann, *Ideology And Organization In Communist China*, p. 175.

³⁷ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p. 227.

³⁸ Liu Suimian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 3-4; Yang Jianbai, Li Xuezeng and Yang Shengming, *Dangdai Zhongguo De Jingji (China Today: Economy)* (Beijing: Zhongguo Shehui Kexue Chubanshe, 1987), p. 148.

³⁹ Tang Juan, Xu Jialiang and Ma Depu, *Zhongguo Zhongyang Zhengfu Guanli (The Management Of China's Central Government)* (Beijing: Jingji Ribao Chubanshe, 2002), p. 261.

⁴⁰ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Wuzi Zhi (Historical Records of Shaanxi Province: Resource)* (Xi'an: Shaanxi Renmin Chubanshe, 1994), pp. 48-9.

⁴¹ The taxation of private economy seemed also to be handled all by local governments to upward the provincial, regional and finally to central government.

⁴² Yang Jianbai (et al.), *Dangdai Zhongguo De Jingji*, p. 143; Tang Juan (et al.), *Zhongguo Zhongyang Zhengfu Guanli*, pp. 15, 61; Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 341, 173.

⁴³ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 1030.

⁴⁴ Tang Juan (et al.), *Zhongguo Zhongyang Zhengfu Guanli*, p. 39; Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 339.

⁴⁵ Chen Yun (the Vice Primier), “Zibenzhuyi Gongshangye Gaizao De Xin Xingshi He Xin Renwu (new conditions and New goals of socialist transformation of capital industry and commerce) (Nov. 16, 1955)”, in Zhongyang Dang'an Guan (et al) (ed.), *Zhonghua Renmin Gongheguo Jingji Dang'an Ziliaojianbian: Gongye Juan, 1949-1952*, pp. 280-2.

⁴⁶ Zhou Enlai, “Guodu Shiqi Zong Luxian (the general lines for intermediary period) (Sept. 8, 1952)”, and Guojia Tongji Ju (The Statistic Bureau of the central government), “Guanyu Woguo Siying Gongye Shehuizhuyi Gaizao De Guocheng (the process of socialist transformation of national private industry) (Sept. 13, 1956)”, in Zhongyang Dang'an Guan (et al) (ed.), *Zhonghua Renmin Gongheguo Jingji Dang'an Ziliaojianbian: Gongye Juan, 1949-1952*, pp. 270-1, 336-7.

⁴⁷ Guowuyuan (The State Council), “Guanyu Yindang Zhongshi Shougongye De Zhishi (the directive of paying more attention to handicrafts) (Apr. 2, 1953)”, and The report of the planning meeting to expand joint-managed industry by the Financial and Economic Commission of the central government at Jan. 6, 1954), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, p. 843, 944; Solinger, *Chinese Business Under Socialism*, pp. 136-7.

⁴⁸ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 119.

⁴⁹ *Shaanxi Ribao*, Jan 1, 1956.

⁵⁰ Donnithorne, *China's Economic System*, p. 277.

⁵¹ Baojishi Renmin Weiyuanhui Tongji Ju (The Statistic Bureau of the People's Committee of Baoji Municipality), “Baojishi Shougongye Fazhan Qingkuang Diaocha Baogao (the survey of the development of handicraft industry of Baoji city (Oct. 4, 1955)”, in Baoji Archives, 27-1-25-6, p. 34, 39, 44; “Zhonggong Baoji Shiwei Zhaokai Kuoda Huiyi, Taolun Yu Buzhi Siying Gongshangye Gaizao Gongzuo (the

CCP Committee of the Baoji Municipality held expanded conference to discuss and plan the socialist transformation of private industry and commerce”, *Baoji Bao*, Jan. 7, 1956; Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 136.

⁵² Donnithorne, *China's Economic System*, p. 277.

⁵³ “Shaanxisheng Shangye Ting Guanyu Dui Chengshi Siying Shangye Gaizao Wenti De Baogao (Shaanxi Commerce Ministry’s report of transformation of urban private commerce) (Dec. 30, 1955)”, and “Zhonggong Shaanxi Shengwei Guanyu Zibenzhuyi Gongshangye Gaizao Gei Zhonggong Zhongyang De Baogao (the report of capitalist industry and commerce by the CCP Committee of Shaanxi province to the Central Committee of the CCP) (Jan. 9, 1956)”, in *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao Bianweihui* (ed.), *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao: Shaanxi*, p. 364, 383; *Shaanxi Difangzhi Bianzhuan Weiyuanhui* (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 126.

⁵⁴ *Shaanxi Ribao*, Dec. 31, 1955; Jan 1, 1956; *Baoji Bao*, Jan. 7 of 1956.

⁵⁵ *Baoji Bao*, Jan. 12, 17, 22, Feb. 2, 1956; *Shaanxi Ribao*, Jan 26, 1956.

⁵⁶ *Baojishi Gongshangye Zhe Zuzhi Zhi Bianxie Zu* (ed.), *Baojishi Gongshangye Zhe Zuzhi Zhi*, p. 72.

⁵⁷ These four cooperatives were: the Baoji State-owned Porter Corporation 宝鸡国营货搬运公司 (finally became the First Transportation Corporation of Baoji City 宝鸡市第一运输公司 in 1971) on the basis of private automobile, the People’s Transportation and Production Cooperative Association 人民运输生产合作社, the Animal-dragged Vehicle Cooperative Association 畜力车辆合作社 and the Rickshaw Cooperative Association 人力黄包车合作社 (these three associations finally merged in 1959 and became the Second Transportation Corporation of Baoji City 宝鸡市第二运输公司 in 1972) on the base of man- and animal-drawn private vehicles. *Baoji Difangzhi Bianzhuan Weiyuanhui* (ed.), *Baojishi Zhi* (1998), p. 769, 773.

⁵⁸ “Buyao Suiyi Luanban Luanbing (do not relocate and combine unplanned (private commerce and handicrafts)”, “Shi Maoyi Gongsi Jingying Hunluan, Dui Guojia Renmin Zaocheng Juda Sunshi (the mess of operation and marketing of the Baoji Trade Company led to great loss of state and people’s assets)”, *Baoji Bao*, Feb. 22, 1956; May. 23, 1957, and the series discussions initiated by “Shougongye Chanpin Zhiliang Buhaao De Genyuan Zai Nali (where is the cause of the low quality of handicraft products)?” after Jul. 7, 1956.

⁵⁹ “Guowuyuan Guanyu Muqian Siying Gongshngye He Shougongye De Shehuizhuyi Gaizao Zhong Ruogan Shixiang De Jueding (the State Council’s decision on some items of current socialist transformation in private industry, commerce and handicraft)”, and “Shenzhong De Gaizao Chengshi Xiao Shangye (be cautious to transform urban small commerce)”, *Shaanxi Ribao*, Mar. 13; Apr. 29, 1956; “Bai Duanle De Xian Jie Qilai (reconnecting the broken lines of the material supply and

marketing)", *Baoji Bao*, Mar. 7, 1956.

⁶⁰ *Shaanxi Ribao*, July 17, 1956.

⁶¹ "Xiang Shougongye Sheyuan Shuo Ji Ju Hua (say some words to the members of handicraft cooperatives)", *Baoji Bao*, Jan. 23, 1957.

⁶² Eckstein, *China's Economic Development*, pp. 2-12.

⁶³ Schurmann, *Ideology And Organization In Communist China*, p. 188.

⁶⁴ Donnithorne, *China's Economic System*, p. 279.

⁶⁵ The theoretical discussion and case study of the systematic analysis in urban study see Anthony Leeds, *Cities, Classes And The Social Order* (Cornell University Press, 1994); Carol A. Smith (ed), *Regional Analysis* (New York: Academic Press, 1976).

⁶⁶ The functions of these eight offices were: The First Office was responsible for internal affairs, national security, police, judicature; the Second Office for education, public health, cultural affairs, and media; the Third Office for heavy industry, basic industry, construction; the Fourth Office for light industry, local industry, handicrafts, and labor; the Fifth Office for finance, grain supply, domestic commerce, foreign trade, bank; the Sixth Office for all kinds of transportation; the Seventh Office for agriculture, forestry, water conservancy, weather forecast; and the Eighth Office for the socialist transformation of private economy. See Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, pp. 1100-1.

⁶⁷ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi (Historical Records of Shaanxi Province: Defense Industry)* (Xi'an: printed by Shaanxi shizhi yinshuaichang, 2000), p. 528. The Second Machine-building Industry Ministry (for atomic industry), The Third Machine-building Industry Ministry (for aviation), The Fourth Machine-building Industry Ministry (for electronic), The Five Machine-building Industry Ministry (for normal arms), and The Six Machine-building Industry Ministry (for battleship).

⁶⁸ Fifteen central ministries included the textile industry ministry and two ministries of light industry, eight ministries of machine-building industry, ministries of metallurgy, chemical industry, construction engineering and building material. The last three ministries were about the heavy industry. Donnithorne, *China's Economic System*, p. 149.

⁶⁹ Ibid., below p. 457.

⁷⁰ The five specific groups of consumptive goods were: basic commodities, hardware and electrical appliances, grain and oil, cigarette and alcohol, and textile products.

⁷¹ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 1039-1080; *Baojishi Gongshang Xingzheng Guanli Zhi Bianxiezu* (The Editing Group of Historical Records of Baoji Industrial and Commercial Administrative Management) (ed.), *Baojishi Gongshang Xingzheng Guanli Zhi (Historical Records Of The Industrial And Commercial Management In Baoji Municipality)* (Baoji: Qishan Caise Yinshuai Chang, 1988), p. 4.

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- ⁷² Donnithorne, *China's Economic System*, p. 279.
- ⁷³ This kind of materials was further divided into metal, non-ferrous metal, fuel and power, light industry and textile products, chemical products, timber, construction materials, machinery and electronic products.
- ⁷⁴ This kind of materials can be subdivided into machinery and electronic products, metal, non-ferrous metal, special construction materials.
- ⁷⁵ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Wuzi Zhi*, p. 49.
- ⁷⁶ Ibid., p. 40; Donnithorne, *China's Economic System*, p. 285-6; Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 8-9; Guowuyuan (the State Council), "Guanyu Shixing Shougongye Jihua Chanpin Fen'gong Guanli Banfa De Tongzhi (the message of experimenting the specialized management over planned industrial goods) (Nov. 1, 1955)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, p. 1304. Donnithorne thought this arrangement established only around 1959.
- ⁷⁷ Donnithorne, *China's Economic System*, p. 173, 465-6.
- ⁷⁸ Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 10-1.
- ⁷⁹ Frazier, *The Making Of The Chinese Industrial Workplace*, p. 135.
- ⁸⁰ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, pp. 1068, 1083-4.
- ⁸¹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 85, 90, 91, and 94.
- ⁸² Donnithorne, *China's Economic System*, p. 179.
- ⁸³ Deborah S. Davis, "Social class transformation in urban China: Training, hiring, and promoting urban professionals and managers after 1949", *Modern China*, No. 3 of Vol. 26 (Jul. 2000), pp. 251-275; He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p. 133.
- ⁸⁴ Donnithorne, *China's Economic System*, p. 465-6
- ⁸⁵ Ma Wenrui (the Head of the Labor Ministry during the 1950s and 1970s), *Mai Wenrui Huiyilu (Memoirs Of Ma Wenrui)* (Xi'an: Shaanxi Renmin Chubanshe, 1998), pp. 168-9.
- ⁸⁶ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, pp. 519-20.
- ⁸⁷ The discussion of the role of market in this period was in related chapters of Solinger, *Chinese Business Under Socialism*, below p. 215.
- ⁸⁸ The fiscal powers of provincial and municipal governments included: four items of fiscal revenues; the power of provincial governments to approve the small amount capital investment; the capital investment on local industry (including those public-private joint managed enterprises); the power to use part of the revenues came from local agriculture, forestry, education and culture, urban construction, and administrative fees; the proportion of enterprises' interests managed by provincial and local governments, and so on. Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi*

Zhi (1998), p. 1154; Zhongyang Jihua Weiyuanhui and Caijing Weiyuanhui (the Planning Commission and Economic and Financial Committee of the central government), “1954 Nian Guojia Yusuan Jihua (the national budgetary plan of 1954) (Sept. 17, 1953)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, p. 899, 987.

⁹⁹ Guowuyuan (The State Council), “Guanyu Fabu Jiben Jianshe Gongcheng Sheji He Yusuan Wenjian Shenpi Zanxing Banfa (the message of issuing ‘temporary regulations of the designation and budget confirmation of capital construction (July 12, 1955)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, pp. 1083-4, 1238.

¹⁰⁰ Zhongguo Zhongyang (The Central Committee of The CCP), “Guanyu Jianli Jihua Jigou De Tongzhi (the message of establishing planning organs) (Feb. 13, 1953)”; and Guojia Jihua Weiyuanhui, “Guanyu Bianzhi Jingji Niandu Jihua Zanxing Banfa (the temporary way of planning annual economic plan) (approved by the Central Committee of the CCP in Aug. 5, 1953)”; Zhongguo Zhongyang, ‘Guanyu Jianli Yu Chongshi Geji Jihua Jigou De Zhishi (the directive of establishing and strengthening all levels planning agencies) (Feb. 1, 1954)”; Guowuyuan,, “Difang Geji Renmin Weiyuanhui Jihua Weiyuanhui Zhaxing Zuzhi Tongze (the temporary organizational principle of all levels local Planning Commission of the People Committees) (Feb. 18, 1956)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, pp. 821, 883, 965, 1380-1.

¹⁰¹ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 339.

¹⁰² Donnithorne, *China's Economic System*, p. 479.

¹⁰³ Baocheng Yibiao Chang Changzhi Bianxie Zu (The Editing Group of Historical Records of Baocheng Meter Plant), *Baocheng Yibiao Chang Changzhi (Historical Records Of Baocheng Meter Plant)* (Baoji: 1985, unpublished), p. 60.

¹⁰⁴ The interview with Mr. Dong, Baoji city, Aug. 16, 2003.

¹⁰⁵ Chao Kang, “Policies and performance in industry”, in Eckstein (et al.) (eds.), *Economic Trends In Communist China*.

¹⁰⁶ “Fazhan Zhonggongye Shi Shixian Guojia Shehuizhuyi Gongyehua De Zhongxin Huanjie (to develop heavy industry is the key moment of realization of our nation’s socialist industrialization)”, *Renmin Ribao*, Mar 3, 1954; Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu (The Review Of Important Decision And Events)* (revised version) (Beijing: Renmin Chubanshe, 1997), pp. 301-02; Eckstein, *China's Economic Development: The Interplay Of Scarcity And Ideology*, p. 232. The fully discussion of the definition of heavy and light industry in China, see Donnithorne, *China's Economic System*, p. 140-1.

¹⁰⁷ Chao Kang, “Policies and performance in industry”, in Eckstein (et al) (eds.), *Economic Trends In Communist China*, p. 555.

¹⁰⁸ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, pp. 306-07.

⁹⁹ Chao Kang, "Policies and performance in industry", in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, p. 558.

¹⁰⁰ Ibid., pp. 558-9.

¹⁰¹ Ibid., pp. 549-50.

¹⁰² Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, p. 24.

¹⁰³ Baoji Renmin Weiyuanhui (The People's Committee of Baoji Municipality), "Baojishi Diyige Wunian Jihua Qijian Xuyao Neiqian De Gongye Fuwuye He Diaoru Gelei Laodongli De Chubu Yijian (the primary recommendation on the industrial and service enterprises and related labor that needed to be moved into Baoji city from coastal regions and in the FFYP) (1955)", in Baoji Archives, 23-1-439-14, pp. 70-76.

¹⁰⁴ Baojishi Chengshi Jianshe Ju (The Urban Construction Bureau of Baoji Municipality), "Baojishi Chengshi Guihua Gongzuo Jihua Chubu Yijian (the primary suggestion of Baoji urban planning works (1955)", Baoji Urban Construction Archives, 5156-20-B12-9, pp. 77, 79; Baoji Renmin Weiyuanhui, "Baojishi Xianzhuang Yiji Di Yige Wunian Jihua Fazhan Gaikuang He Yuanjing Guji (the current situation the FFYP of Baoji city and its long-term estimate) (Jun. 3, 1955)", in Baoji Archives, 23-1-439-1, p. 2.

¹⁰⁵ Baojishi Chengshi Jianshe Ju, "Baojishi Guihua Fang'an Yanjiu Shuoming (the study and explanation of the planning draft of Baoji city (May 1957)", in Baoji Urban Construction Archives, 90-3-c2-1, pp. 1-7.

¹⁰⁶ The detailed process of this relocation was: the No. 115 Plant which produced electronic equipment for aircraft relocated from Tianjin city to Xingping 兴平 city of Shaanxi province; the No. 408 Plant (Shaanxi Diesel Engine Plant) and No. 872 Plant (Dongfeng 东风 Meter Plant produced meter for torpedo battleship) both already built in 1953 and 1956 in Lanzhou 兰州 city of Gansu province and Houma 侯马 city of Shanxi province respectively, moved to Xingping City and Xi'an city of Shaanxi province in 1957 and 1958 respectively. At the same time, two aerial plants (No. 172 plant for bomber aircraft and No. 430 for aircraft engine), their initial location was in Zhangye 张掖 city and Lanzhou 兰州 city of Gansu province, moved to Yanliang 阎良 town and Xi'an city in 1958 and 1957. See Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 82, 88, 98; Baojishi Dianzi Yibiao Gongye Zhi Bianjie Zu (The Editing Group of Historical Records of Electronic and Meter Industry in Baoji Municipality) (ed.), *Baojishi Dianzi Yibiao Gongye Zhi (Historical Records Of Electronic And Meter Industry In Baoji Municipality)* (Baoji: 1986, no author, unpublished), pp. 13-30.

¹⁰⁷ Baojishi Chengshi Jianshe Ju, "Baojishi Guihua Fang'an Yanjiu Shuoming (May 1957)", in Baoji Urban Construction Archives, 90-3-c2-1, pp. 1-2.

¹⁰⁸ The Changling Machine Plant, Baocheng Meter Plant, Baoji-Chengdu Railroad,

and Baoji Engineering Machinery Plant all started their construction around 1955 and were completed around 1957

¹⁰⁹ Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, pp. 13-31.

¹¹⁰ Wang Fan, *Zhongguo Chengshi Jianshe (Urban Construction In Modern China)* (Beijing: Zhongguo Shehui Kexue Chubanshe, 1990), pp. 42-3.

¹¹¹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 73-5; Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 5; Wang Haibo, *Zhonghua Renmin Gongheguo Gongye Jingji Shi (The Industrial History Of The PRC)* (Taiyuan: Shanxi Jingji Chubanshe, 1998), p. 223; Ma Hong (et al.), *Zhongguo Diqu Fazhan Yu ChanYe Zhengce (Chinese Regional Development and Economic Policy)* (Beijing: Zhongguo Caijing Chubanshe, 1991), p. 1020; Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi (China Today: Shaanxi)* (Beijing: Dangdai Zhongguo Chubanshe, 1991), p.283; Liu Jiang (et al.), *Zhongguo Diqu Fazhan Huigu He Zhanwang: Shaanxisheng Juan*, p. 66. The composition of 47 complementary items in Shaanxi was: seventeen machinery factories, six petroleum and chemical factories, ten coal mines, four construction material factories, two power factories, one railroad, and seven textile factories.

¹¹² The three electronic plants in Baoji city were: the Changling Machine Plant (No. 782), the Lingyun Machinery Plant (No. 765), and the Fenghuo Machinery Plant (No. 769). Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 5.

¹¹³ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi (Historical Records Of Industrial Economy In Baoj Municipality)* (Baoji: printed by Fengxiangxian Yinshua Chang, 1996), p. 245.

¹¹⁴ Ibid.; Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 152.

¹¹⁵ Baoji Chengshi Jianshe Ju, “1957 Nian Baojishi Chengshi Jianshe Gongzuo Tongjie (the conclusion on the urban construction works in 1957) (1957)” in Baoji Urban Construction Archives, 5156-21-B12-2, pp. 34-46.

¹¹⁶ Ibid.

¹¹⁷ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, pp. 113-14.

¹¹⁸ Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, pp. 58-9.

¹¹⁹ For the general condition of the Soviet Union’s support to these important projects, see Zhihua, *Sulian Zhuanjia Zai Zhongguo*.

¹²⁰ The detailed process of the establishment of Baocheng Meter Plant see Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, pp. 1-7, 274, 339.

¹²¹ Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang*

Changzhi, p. 275.

¹²² Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 16.

¹²³ The interview with Mr. Huang, Baoji city, Aug. 11, 2001..

¹²⁴ Baoji Shiyou Jixie Chang Changshi Bianweihui (ed.), *Baoji Shiyou Jixie Chang Jianshi*, pp. 117-40.

¹²⁵ Xiang Xinshi (et al.), *Jiaotong Daxue Xiqian Huiyilu (Memoir of The Westward Relocation Of Jiaotong University)* (Xi'an: Jiaotong Daxue Chubanshe, 2001), p. 290; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p. 65; Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, pp. 109, 306; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 88, 501-2.

¹²⁶ Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, pp. 24-5; Chao Kang, "Policies and performance in industry", in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, p. 559.

¹²⁷ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 78.

¹²⁸ Donnithorne, *China's Economic System*, p. 144.

¹²⁹ Baojishi Jihua Weiyuanhui (The Planning Commission of Baoji Municipality) (ed.), *Baojishi 30 Nian Tongji Ziliao (1949-78) (Thirty Years Statistic Materials of Baoji Municipality)* (Baoji: printed by Baoji Renmin Yinshuai Chang, 1979), pp. 13-4.

¹³⁰ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 1039-80.

¹³¹ Donnithorne, *China's Economic System*, p. 277.

¹³² Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 1039-80.

¹³³ Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 3.

¹³⁴ The interview with Mr. Dong, Baoji city, Aug. 16, 2003.

¹³⁵ Oakley, Labor Relations in China's Socialist Market Economy, pp. 43-4.

¹³⁶ Thomas Rawski already pointed out, although in rough way and from the view of labor employment, that the CCP government divided among industrial plants according to their productive importance in national production: new enterprises of the FFYP, the enterprises inherited from Republic of China, and then small-scale plants, see Rawski, *Economic Growth And Employment In China*, p.55.

¹³⁷ Chao Kang, "Policies and performance in industry", in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, p. 551; Eckstein, *China's Economic Development*, p. 267.

¹³⁸ Donnithorne, *China's Economic System*, p. 460; Eckstein, *China's Economic Development*, p. 314; Thomas G Rawski, "China Industrial system", in Joint Economic Committee of U.S. Congress (ed.), *China: A Reassessment Of The Economic* (Washington DC: U.S. Government Printing Office, 1975), p. 179.

¹³⁹ Chen Yun, “Xiang Zhogngong Zhongyang Huibao Di Yige Wunian Jihua (the report about the First Five-Year Plan to the Central Committee of the CCP) (June 30 of 1954)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, pp. 1053-4.

¹⁴⁰ “Jiaqiang Dui Jiben Jianshe De Caizheng Jiandu (strengthening the financial censor to capital construction)”, *Renmin Ribao*, Feb 8, 1955; *Shaanxi Ribao*, May 4, 30, and July 7, 14, 1955; Solinger, *Chinese Business Under Socialism*, p. 221; Donnithorne, *China's Economic System*, p. 207.

¹⁴¹ *Shaanxi Ribao*, Jan 27, 1957; “Guanche Zengchan Jieyue De Jingsheng, Quanmian Chao'e De Wancheng 1954 Niandu Guomin Jingji Jihua (applying the spirit of increasing production and saving resource, in order to finish and exceed the national economic plan of 1954)”, *Renmin Ribao*, Oct 18, 1954; “Dongyuan Qilai Fandui Langfei Lixing Jieyue (to mobilize masses for saving resources and against waste)”, *Renmin Ribao*, May 30, 1955; Guojia Jihua Weiyuanhui, “1953 Niandu Guomin Jingji Zhixing De Jiben Qingkuang Ji 1954 Niandu Guoming Jingji Jihua Zhong De Jige Wenti (the basic condition of the application of 1953 national economic plan and some problems in 1954 national plan) (July, 1954)”, in Zhongyang Dang'anguan (et al) (ed.), *Zhonghua Renmin Gongheguo Jingji Dang'an Ziliao Xuanbian: Gongye Juan, 1949-1952*, p. 943.

¹⁴² Solinger, *Chinese Business Under Socialism*, p. 89.

¹⁴³ *Shaanxi Ribao*, Jun. 8, 1955.

¹⁴⁴ “Shizhen Liangshi Dingliang Gongying Xuanchuan Tigang (the propaganda outline of rationing food supply in city and town)”, *Shaanxi Ribao*, Sept. 2, 1955.

¹⁴⁵ Guowuyuan, “Nongcun Liangshi Tonggou Tongxiao Zanxing Banfa (the temporary means of unified purchase and marketing of rural grain)” and “Shizhen Liangshi Dingliang Gongying Banfa (the rationing grain supply in urban areas)”(Aug. 25 1955), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, pp. 1261-2; *Renmin Ribao*, Jul. 3, 1955; *Shaanxi Ribao*, Sept. 1, 1955.

¹⁴⁶ Eckstein (et al.) (eds.), *Economic Trends In Communist China*, p. 382.

¹⁴⁷ “Shaanxisheng Shangye Ting Guanyu Dui Chengshi Siying Shangye Gaizao Wenti De Baogao (Shaanxi Commerce Ministry's report of transformation of urban private commerce) (Dec. 30, 1955)”, and “Zhonggong Shaanxi Shengwei Guanyu Zibenzhuyi Gongshangye Gaizao Gei Zhonggong Zhongyang De Baogao (the report of capitalist industry and commerce by CCP of Shaanxi province to Central Commission of CCP) (Jan. 9, 1956)”, in Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao Bianweihui (ed.), *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao: Shaanxi*, pp. 364, 383; Ma Wenrui, *Ma Wenrui Huiyilu*, p. 169.

¹⁴⁸ *Renmin Ribao*, Jan. 25, 1955; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*; He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*.

¹⁴⁹ *Shaanxi Ribao*, Feb. 28, 1955;

¹⁵⁰ “Tuoshan Anzhi Fuyuan Jianshe Junren He Zhuanye Junren (to distribute demobilized and transferred servicemen at best)”, *Renmin Ribao*, Jan. 25, 1955; *Shaanxi Ribao*, May. 19 and 25, 1955, Jun. 16, 1956.

¹⁵¹ “Jiaqiang Laodongli Diaopei Gongzuo, Kefu Laodong Langfei (strengthen the labor allocation and overcome labor waste)”, *Renmin Ribao*, Jul. 17, 1955.

¹⁵² He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p. 126.

¹⁵³ *Shaanxi Ribao*, Dec. 5, 8, 14, 16, 25, 27, 28, 1957.

¹⁵⁴ *Shaanxi Ribao*, Aug. 23, 1957.

¹⁵⁵ Guojia Tongji Ju (the Statistic Bureau of the central government), “1956 Niandu Gongye Lirun Wancheng Qingkuang De Guji (the estimated condition of the completion of industrial interest in 1956) (Dec. 6, 1956)”, in Zhongyang Dang’anguan (et al) (ed.) *Zhonghua Renmin Gongheguo Jingji Dang’an Ziliaoz Xuanbian: Gongye Juan, 1949-1952*, p. 989; *Shaanxi Ribao*, Dec. 28, 1956; Frazier, *The Making Of The Chinese Industrial Workplace*, p. 156.

¹⁵⁶ Guojia Tongji Ju, “1957 Nian Gongye Laodongli Baogao (the report about industrial labor in 1957) (Jan 28, 1958)”, in Zhongyang Dang’anguan (et al) (ed.), *Zhonghua Renmin Gongheguo Jingji Dang’an Ziliaoz Xuanbian: Gongye Juan, 1949-1952*, pp. 1044-7; Eckstein, *China’s Economic Development*, p. 335; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 137.

¹⁵⁷ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, p. 520.

¹⁵⁸ He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p. 7.

¹⁵⁹ Guowuyuan, “Guoying Qiye 1954 Nian Chaojihua Lirun Fencheng Shiyong Banfa (the way to use the appropriated interests that surppassed the planned quotas produced by public enterprise in 1954) (Aug. 8, 1955)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, pp. 1257, 1434; Kjeld E. Brodsgaard, “Paradigmatic change: readjustment and reform in the Chinese economy, 1953-81”, *Modern China*, No. 1 of Vol. 9 (Jan. 1983), pp. 47-8.

¹⁶⁰ Concrete analysis of this policy and its historical background see Solinger, *Chinese Business Under Socialism*, p. 94; also see Donnithorne, *China’s Economic System*, p. 173.

¹⁶¹ Baojishi Renmin Weiyuanhui Tongji Ju (The Statistic Bureau of The People’s Committee of Baoji Municipality), “1949-61 Nian Jiben Jianshe He Chengshi Jianshe Lishi Ziliaoz (Historical Materials of Capital and Urban Construction)”, In Baoji Archives, 27-1-111, p. 8.

¹⁶² Baoji Fadian Chang Changzhi Bianxie Zu (The Editing Group of Historical Records of Baoji Power Station) (ed.), *Baoji Fadian Chang Zhi (Historical Records Of Baoji Power Station)* (Baoji: 1986, unpublished), p. 60; Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 311.

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- ¹⁶³ Baoji Chengshi Jianshe Ju, “Baojishi Chengshi Guihua Fang'an Yanjiu Shuoming (May 1957)”, in Baoji Urban Construction Archives, 90-3-C2-1, p. 5; Li Ping'an (eds.), *Baoji Shiqing (The Circumstance Of Baoji Municipality)* (Baoji: 1990, no unpublished), chap. 9, p. 2.
- ¹⁶⁴ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (Baoji: 1991, unpublished), chap. 5, p. 154.
- ¹⁶⁵ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 1025-6, 1028.
- ¹⁶⁶ Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, pp. 156-61.
- ¹⁶⁷ Baoji Chengshi Jianshe Ju, “Baojishi Chengshi Guihua Fang'an Yanjiu Shuoming (May 1957)”, in Baoji Urban Construction Archives, 90-3-C2-1, pp. 4-5
- ¹⁶⁸ Baoji Chengshi Jianshe Ju, “Guanyu Baojishi Zongti Guihua Xiugai De Jidian Shuoming (several explanations about revising the urban planning of Baoji city) (1959)”, in Baoji Urban Construction Archives, 90-3-C2-2, p. 12.
- ¹⁶⁹ Baojishi Renmin Weiyuanhui Tongji Ju (The Statistic Bureau of People's Committee of Baoji Municipality), “1946-61 Nian Jiben Jianshe He Chengshi Jianshe Lishi Ziliao (historical materials of capital and urban construction during 1949-61)”, in Baoji Archives, 27-1-111, p. 8.
- ¹⁷⁰ Baojishi Renmin Weiyuanhui (the People's Committee of Baoji Municipality), “Baojishi Zai Yiwu Jihua Zhong De Zhuangkuang Yiji Yuanjing Guji (the current situation the FFYP in Baoji city and its long-term estimate) (June 3, 1955)”, in Baoji Archives, 23-1-439-1, pp. 3-4.
- ¹⁷¹ Hu Huanyong (et al.), *Zhongguo Renkou: Shanghai (China's Population: Shanghai)* (Beijing: Zhongguo Caijing Chubanshe, 1987), pp. 140-1. To export labor was also an urgent need of cities in East of China, for too much excessive labor existed after the Socialist Transformation when so many private corporations and enterprises were merged and many trades declined. Sun Huairen (et al.), *Shanghai Shehuizhuyi Jingji Jianshe Shi: 1949-85 (A Historical Records Of Socialist Economic Construction In Shanghai)* (Shanghai: Shanghai Renmin Chubanshe, 1990), pp. 250, 256.
- ¹⁷² Shaanxi Ribao, Apr. 19, 1960.
- ¹⁷³ Sun Huairen (et al.), *Shanghai Shehuizhuyi Jingji Jianshe Shi*, p. 195.
- ¹⁷⁴ Shaanxi Ribao, Mar. 14, 1955; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p. 81.
- ¹⁷⁵ Shaanxi Ribao, Sep. 9, 1956; He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p.124.
- ¹⁷⁶ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, pp. 6, 87, 520.
- ¹⁷⁷ Xiang Xinshi (et al.), *Jiaotong Daxue Xiqian Huiyilu*, p. 281; Shaanxi Ribao, Aug. 31, 1956; Feb 10, 1957.

- ¹⁷⁸ “2,000 Duo Ming Shanghai Laibao Zhigong Jianli Gongxun (more than 2,000 workers from Shanghai worked hard in Baoji)”, *Baoji Bao*, Apr. 24, 1960.
- ¹⁷⁹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, p. 73.
- ¹⁸⁰ The interview with Mrs. Huang, Baoji city, Aug. 10, 2001.
- ¹⁸¹ Shen Yimin and Tong Chengzhu, *Zhongguo Renkou Qianyi*, p. 158; Zhu Chuzhu (et al.), *Zhongguo Renkou: Shaanxi Fence (China's Population: Shaanxi Province)* (Beijing: Zhongguo Caijing Chubanshe, 1988), p. 163; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, p. 520. In 1956, 1,147 skilled workers moved to Shaanxi from Chongqing 重庆 under the command of Southwest Textile Management Bureau. 150 of them were cadres and 977 were workers.
- ¹⁸² Xiang Xinshi (et al.), *Jiaotong Daxue Xiqian Huiyilu*, p. 281; *Shaanxi Ribao*, Aug. 31, 1956; Feb. 10, 1957; Hu Huanyong (et al.), *Zhongguo Renkou: Shanghai*, p. 141.
- ¹⁸³ Zhongguo Gongchandang Shaanxi Shengwei Jiben Jianshe Bu (the Capital Construction Bureau of the CCP Committee in Shaanxi Province), “Guanyu 212 Chang Diyi Jixiao Xuesheng Jiti Bake Shijian De Baogao (the report of student strike of the First Technical School of the No. 212 Plant) (Nov. 21, 1956)”, in Baoji Archives, 1-4-44-23, pp. 113-116.
- ¹⁸⁴ “Pugong Bu Anxin Gongzuo De Yuanyin (the reasons of temporary workers don't fully engage their jobs)”, *Shaanxi Ribao*, Oct. 9, 1956.
- ¹⁸⁵ “Xibei Guomian Sichang Qingnian Gongren Huixiang Shou Jiaoyu (New workers of the Northwest Fourth Mill were educated when they went back to hometown)”, *Shaanxi Ribao*, Feb. 25, 1957.
- ¹⁸⁶ Editorial, “Mangmu Liuru Chengshi De Nongmin Yinggai Huidao Nongcun Qu (peasants who flowed into cities blindly should go back to rural places)”, *Renmin Ribao*, Apr. 20, 1953.
- ¹⁸⁷ Neiwu Bu (The Civil Affair Ministry) and Laodong Bu (The Labor Ministry), “Jixu Guanche Guanyu Quanzhi Nongmin Mangmu Liuru Chengshi De Zhishi (the continuous implement (the directive of stopping peasants flowing to cities) (Mar. 12, 1954)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 1, p. 981.
- ¹⁸⁸ Baojishi Renmin Weiyuanhui, “Baojishi Chuli Waiji Zaimin Gongzuo Baogao (the report of Baoji Municipal Government dealing with non-native refugees)” (Dec. 23, 1956), in Baoji Archives, 23-2-56-3, pp. 5, 31, 37.
- ¹⁸⁹ Andrew G. Walder, “The remaking of the Chinese working class, 1949-81”, *Modern China*, No. 1 of Vol. 10 (1984), pp. 3-48.
- ¹⁹⁰ As to the salary of these moved cadres, see the document in Baoji Archives, 76-1-8-49 (Jun. 22, 1953); 76-1-8-50 (Jan. 13, 1953); to the job arrangement of families of these cadres, see 76-1-8-51, 1953.

¹⁹¹ According to Frazier's analysis, no large differences existed in labor insurance, for it covered almost all kinds of economic enterprises. Frazier, *The Making Of The Chinese Industrial Workplace*, p. 140.

¹⁹² He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p. 7.

¹⁹³ For example, the frequent labor turnover of workers in the Shenxin Fourth Mill dramatically reduced. See Shaanxi Di Shi'er Mianfangzhi Chang Changzhi Bianxie Zu (ed.), *Shaanxi Di Shi'er Mianfangzhi Chang Changzhi*, p. 155.

¹⁹⁴ Kraus, *Class Conflict in Chinese Socialism*, pp. 31-2; Lee, *Industrial Management And Economic Reform In China, 1949-1984*, p. 35; Frazier, *The Making Of The Chinese Industrial Workplace*, p. 144; Yan Zhongqin (et al.), *Dangdai Zhongguo De Zhigong Gongzi Fuli He Shehui Baoxian* (China Today: The Labor's Wage, Welfare and Security) (Beijing: Zhongguo Shehui Kexue Chubanshe, 1987), pp. 50-1; Xu Zhihe and Xu Jianzhong, *Zhongguo Gongyouzhi Qiye Guanli Fazhansi: 1927-65* (The Development Historical Records Of Chinese State-owned Enterprise Management) (Shanghai: Shanghai Shehui Kexueyuan Chubanshe, 1992), p. 210.

¹⁹⁵ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1991), chap. 5, p.154.

¹⁹⁶ "Benshi Shougongye Shezu Gongzi Gaige Kaishi (the wage reform for cooperative handicraft organizations in Baoji city now begin)", *Baoji Bao*, Feb. 19, 1957; "Shaanxisheng Renmin Weiyuanhui Xin Gongsiheyi Qiye Gongzi Gaige Fang'an (the new draft of Shaanxi People Committee to reform the wage system of new public-private cooperated enterprises) (Nov. 13, 1956)", in *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao Bianweihui* (ed.), *Zhongguo Zibenzhuyi Gongshangye De ShehuiZhuyi Gaizao: Shaanxi*, p. 462-3.

¹⁹⁷ The interviews with Mr. Huang and Mr. Cao, Baoji city, Aug. 11, 2001; Aug. 13, 2003.

¹⁹⁸ The interviews with Mr. Zhu and Mr. Zhang, Baoji city, Aug. 21, 2003.

¹⁹⁹ Shaanxi Difangzhi Bianzuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p. 226.

²⁰⁰ The interview with Mr. Dong, Baoji city, Aug. 16, 2003.

²⁰¹ *Shaanxi Ribao*, Dec. 25, 1956.

²⁰² "Zenyang Duidai Shougongye (how to treat handicraft)?" *Shaanxi Ribao*, Dec. 27, 1956; "Zai Shougongye Li Youmeiyou Chuxi (is working in handicraft industry is hopeless)?" *Baoji Bao*, Apr. 19, 1957.

²⁰³ Oakley, *Labor Relations In China's Socialist Market Economy*, p. 43-4.

²⁰⁴ *Shaanxi Ribao*, Sept. 9, 11, 1956.

²⁰⁵ *Shaanxi Ribao*, Aug. 23, 1957.

²⁰⁶ Baoji Huafei Chang Bianxie Zu (The Editing Group of Baoji Fertilizer Plant) (ed.), *Baoji Danfei Chang Changshi (Historical Records Of Baoji Fertilizer Plant)* (Baoji: 1985, unpublished), p. 6.

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- ²⁰⁷ Donnithorne, *China's Economic System*, pp. 179-80.
- ²⁰⁸ Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 359, 24.
- ²⁰⁹ Baoji Shiyou Jixie Chang Changshi Bianweihui (ed.), *Baoji Shiyou Jixie Chang Jianshi*, p. 114.
- ²¹⁰ Ibid., pp. 56-7.
- ²¹¹ He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p. 133; Frazier, *The Making Of The Chinese Industrial Workplace*, pp. 156-7.
- ²¹² Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, p. 520.
- ²¹³ Shi Yizhi, "Jiaqiang Tuanjie Wei Shehuizhuyi Jianshe Er Fendou (keep unity and struggle for the construction of the socialism)", *Shaanxi Ribao*, Mar. 17, 1957.
- ²¹⁴ "Zhuanwa Gongren De Xishi (the good news from brick-making workers)", *Baoji Bao*, Jan. 1, 1957.
- ²¹⁵ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 49; Baojishi Gongshang Xingzheng Guanli Zhi Bianxie Zu (ed.), *Baojishi Gongshang Xingzheng Guanli Zhi*, pp. 68, 86.

Chapter Three. Baoji city from 1958 to 1964: the Great Leap

Forward and the Economic Adjustment

Introduction

In 1958, Chairman Mao Zedong launched the campaign of the “Great Leap Forward” (the GLF, 大跃进 1958-60) to accelerate industrialization after he had successfully beaten down the objections of some of his comrades.¹ Mao’s new considerations were caused by three elements.² The first was the dilemmas of the Soviet model economic administration that emerged during 1953-57, which made the CCP leaders reconsider their economic strategy. The second element was the changed international background. Not only the truce over the Korean War in 1956, and the détente between the PRC and the western world made the CCP government plan to give more attention to the coastal regions,³ but also the Soviet’s declaration to realize socialism in a decade stimulated the CCP to accelerate the industrial development of China. The third element was Mao himself. Some Chinese scholars found that Mao always had the impulse to encourage rapid industrial development, a move that led to the industrial over-expansion in 1956. Even though it was so clear about the negative side-effects of quick industrialization and the low capacity of supplying needed economic resources in the FFYP,⁴ Mao still believed in his article of “on the ten great relationships 论十大关系” in early 1956, that quick industrialization was possible if the motivation and originality of all kinds of organizations and people, especially the suppressed elements in the FFYP, were mobilized.⁵

Mao in 1957 and 1959 succeeded in overcoming the objections from his comrades such as Deng Zihui 邓子恢 and Peng Dehuai 彭德怀, by bitterly attacking them as “conservatists” and “rightists”.⁶ However, even though some new policies were implemented to pursue a high rate of industrial growth, from the view of Baoji city some basic principles of the strategy of the FFYP did not change. What was worse was the result of the Great Leap Forward, the serious economic crisis after

1960.

As I argued in the literature review, different views existed towards the industrialization strategy of the CCP government during the GLF. Although it looked as though during the GLF the central part of industrial development was small industries with native technology,⁷ Victor Lippit argued that the real aim of the GLF was to look for an alternative to increase quickly the heavy and defense industry when the unbalanced development model of the FFYP was unfeasible.⁸ Chao Kang and Audrey Donnithorne also agreed that the machinery industry (serving mainly the defense and heavy industry) was still very important to the CCP government, and the heavy investment in the steel industry (“the steel takes command 钢铁挂帅”) by the government in this period was to serve the material needs of machinery industry.⁹ The study of Evan Feigenbaum proved that from 1958 the CCP government started its development of nuclear-powered submarines and submarine-launched ballistic missiles and spent much on them.¹⁰ With respect to the regional policy, Chao Kang found that after the short-term establishment of new projects in the coastal regions during 1956-57, from 1958 onwards the government reemphasized the importance of the interior, because the careful investigation made by the central government showed that investment on the interior was more rational in the long term because of the secure location and rich store of raw materials there.¹¹ We find from one local official publication about the electronic industry that the real aim of Mao’s “On the ten great relations” was to encourage quick industrial development, especially in the electronic industry, of the interior along with the emphasis on industrial bases in the coastal regions.¹² Against this background of different views, we may ask: what about the GLF in Baoji city?

I. The GLF in Baoji city (1958-60)

A. The administrative preparation for the GLF: the decentralization

Since the issues of three documents in the Third Plenum of The Eighth Central Committee of the CCP in September of 1957 were: “the regulation of improving

industrial management system 关于改进工业管理体制的规定”, “the regulation of improving commercial management system 关于改进商业管理体制的规定”, and “the regulation of improving fiscal management system 关于改进财政管理体制的规定”,¹³ large-scale administrative restructuring of the CCP government began. Following the perspective of Chapter 2, I viewed the administrative restructuring in the GLF as the measure of the CCP government to reorganize important economic resources to realize its new industrialization strategy, and to liberate all “suppressed” elements – especially the provincial and municipal governments – in the FFYP to realize the rapid industrial growth in the GLF. Of course, this restructuring was also partly attributed to the inherited dilemmas of the Soviet-type administration, such as the difficulties and obstacles in getting enough correct information for planning; the low capacity of the CCP’s economic planning; the contradictions between different levels of government and between the government and enterprises.¹⁴ At the same time, to strengthen the Party’s control over all socio-economic and political fields by concentrating the administrative powers in the hands of the all kinds of Party Committees was another important aim of this restructuring.¹⁵

In the fields of national logistics, the Commerce Ministry now had to share its powers in allocation and sale of consumptive goods with the provincial governments. Its specialized commercial companies’ branches were transferred to provincial and municipal governments. But the Commerce Ministry still kept its dominant role in the supply and circulation of consumer goods, for all the first-level wholesale depots were still in the hands of the Ministry, when other levels of depots were managed jointly by both the Ministry and the provincial governments.¹⁶

Generally, the basic management structure of productive materials and products did not change. Productive materials and products still were classified into three kinds, and the important materials and products and their production, allocation, circulation, were still firmly controlled by central ministries. The channel of the materials supply was still organized along the division of enterprises “with direct supply (by ministries)” and “with indirect supply” according to the production importance of enterprises.¹⁷ What was really changed was only the range of these three kinds of

materials and products. Many former ‘unified allocated’ and ‘ministry managed’ materials and products now became the ‘locally managed’ materials managed by provincial government, and the number of the “unified allocated” and “ministry managed” dropped from 532 in 1957 to 132 in 1959.¹⁸ Donnithorne said the allocation and circulation of these materials and products transformed from a ministry-dominated to a province-dominated one. But it seemed this transformation only happened in the field of “locally managed” materials and products.

With this re-arrangement of material management, the management of industrial production units was also re-distributed between the ministries and provincial governments. With the downgrading of many “unified allocated” and “ministries managed” materials and products, related industrial plants were also devolved to the provincial governments. From the middle to the end of June 1958, thousands of large and medium-sized industrial enterprises of the central ministries, mainly belonging to light and agricultural industry, communication, etc., were transferred to the provincial governments. By the middle of 1959, about 80% of the industrial enterprises formerly managed by the central ministries were devolved. What were still held by the central ministries were the most important heavy and military industrial enterprises.¹⁹ With this devolution, the provincial governments also owned some powers in labor recruitment and the wage system.²⁰

With the devolution in resource production, allocation and circulation, the economic function of the provincial governments expanded dramatically in all aspects. In economic planning, with the implementation of the “double track” planning system in this period, which was besides the “must-be-finished plan 必成计划” of the central government, the provincial governments had to make its own “hope-to-be-finished plan 期成计划” that must exceed all quotas of the former and the provincial governments must try its best to finish it.²¹ Then the municipal governments also copied this planning process, and finally the tasks that grassroots governments and enterprises faced were certainly high, even unachievable.²² Furthermore, the financial income and autonomy of local government were expanded.²³ The provincial governments now also could receive 20% of the revenues of the enterprises managed

by the central ministries, with the exception of special military and heavy enterprises and some transportation agencies.²⁴ Some items of fiscal revenue were now transferred down to the provincial governments, and provincial and municipal governments and enterprises were permitted to establish their own extra-budgetary funds with only loose supervision from the central government. The proportion of the gross fiscal revenue left to the provincial governments was fixed for five years, which guaranteed the provincial governments a stable fiscal revenue and the possibility for making a long-term local plan.²⁵ On the other hand, the provincial governments also had autonomy in investing in middle and small projects managed by it, controlling the local prices,²⁶ managing transport, electric power, education, labor use, culture, public health, and urban planning, etc., with some limits set by the central government.²⁷

However, this decentralization in fact put more administrative powers into the hands of the CCP. During 1957-61, an “inter-branch coordinated 条条协作” administrative structure was formed, within which all kinds of government organs at all levels of administration established their Party committee that seized the real administrative powers.²⁸ Like the model of the State Council, the Central Committee of the CCP established the 5 offices (finance and economy 财经, politics 政法, foreign affairs 外事, science 科学, education and culture 文教) as the counterparts of the 5 offices of the State Council and took over almost all related administrative powers from the State Council and its agencies.²⁹ This model was also implemented at the provincial and municipal levels, and consequently the subjects who operated administration now were not the governmental agencies themselves, but the CCP groups of these governmental agencies who were under the command of the higher-level CCP committees. At the level of the enterprise, a CCP committee also replaced the manager as the leader of the enterprises, and managers could only execute the commands of the CCP committee and upper level agencies.³⁰

Along with this tightened control over administration by the CCP was the extension of the administrative agencies to xiang 乡 (rural) and district 区 (urban) administration where direct administration had never reached before, by the

establishment of the People's Commune and its specialized governmental and Party branches. Schurmann argued that in the districts, it was District Government and its organs - not the Party's committee – that played the most important role in control because urban areas were easier to rule by bureaucratic ways. But in fact the CCP also extended its control to this level and District government and its organs also had to submit to the leader of Party Committee.³¹ At the same time, the organizations of the grassroots CCP committees were specialized. These Committees just followed the model of the Central Committee, that is dividing and managing the economic affairs into several specialized fields (such as industry and communication, trade and commerce, banking and finance), even the Central Committee of the CCP tried to prevent this because it was thought to weaken the collective leadership of the Party.³² In this aspect, now the CCP was more directly involved in the economic management than ever before.

But the basic administrative structure of communist China in this period did not change. It was still divided into three levels: the central, provincial and municipal government. However, some small adjustments were made to the system according to the decentralization process. In order to maintain the inter-regional economic relations established previously, seven economic coordinating regions were established, but they had no real powers.³³ On the other hand, with the shift of the economic activities in rural places from agriculture to rural industry, the original division between agricultural prefecture and industrial municipality became unnecessary. So, in 1959 Baoji Prefectural Government was cancelled, and three counties (Baoji County, Taibai 太白 County, and Xianggong 县功 County) of this prefecture belonged to Baoji Municipal Government, and others were managed by the provincial government (Baoji Prefecultural Government was re-established in 1961 and took back all its counties)³⁴. In this way, the grassroots governments had enough powers to extract the rural resources, such as labor, lands, and funds, to promote a high speed of industrial development, or to use the resources of urban industry to support the industrial development in rural places.³⁵

Although Schurmann pointed out that the main beneficiary of the administrative

decentralization was the provincial government,³⁶ the Baoji Municipal Government also strengthened its functions of economic management. From 1958-61 the Baoji Municipal Government established ten new specialized bureaus to deal with the increasing economic affairs caused by the GLF.³⁷ At the same time, the municipal government tightened its controls on the existing handicraft industry, and newly established small state-owned industrial plants and street industry – the main industrial forces that the municipal government managed. Baoji Municipal Government renamed the General Guild of Handicraft Industry 手工业联社 as The Industry and Communication Bureau of Baoji Municipality 宝鸡市工业交通局 that were composed of 9 specialized Committees (that were merged by former handicraft guilds) and branches in every district (People's Commune) to manage newly established small enterprises and street industry 街道工业.³⁸ With this restructuring, the self-management of handicraft organizations and street enterprises was replaced by the government's management. The managers of these enterprises were no longer elected by their members, but were appointed by respective organs of the municipal and district governments. And in 1958, 27 cadres and demobilized military officials were sent to these cooperative plants as the watchdogs of the state. All activities, such as the enrollment of workers and wage rates, were included in the governmental plans.³⁹

But the devolution of enterprise management did not bring too many benefits to the Baoji Municipal Government. In the field of material and products management, the Baoji Municipal Government had to submit to the orders of the Shaanxi Provincial Government. At the same time, no defense and textile plants, the most important industries of Baoji city, were devolved to the municipal government. Only 3 enterprises of the Xinqin Group for machinery repair, flour and paper, the Baoji Power Station and Fuxin Flour Plant were handed over by the provincial government to the municipal government.⁴⁰ The power to certify newly established street industry enterprises was also devolved to the municipal government.⁴¹ In the opposite direction and of certain interest, 15 important textile enterprises (three of them located in Baoji city) managed by Shaanxi Provincial Government were taken over in 1958 by

the Northwest Textile Management Bureau of the Textile Industry Ministry, maybe due to the importance of the textile products.⁴²

The planning function of Baoji Municipal Government was very limited and no independent local plans were made until 1960. And the proportion of enterprises of the central and provincial governments in gross industrial value of Baoji Municipality dropped from 72.1% in 1957 to 64.3% in 1962.⁴³ But the fiscal revenue of the municipal government grew from 4,385,085 yuan in 1957 to 15,732,696 yuan in 1958.⁴⁴

Faced with many problems that arose during the process of establishing rural People's Communes, the government held a more meticulous attitude towards the urban People's Communes. Unlike rural Communes, the urban People's Communes did not encourage extreme egalitarianism, such as confiscating the property of residents, or merging different organizations, and the former administrative structure of district governments did not change much.⁴⁵ At the end of May of 1960, four People's Communes (Jintai 金台, Douji 斗鸡, Jiangcheng 姜城, Xiguo 西虢) were established in Baoji city.⁴⁶ Because they had no deep or long influences on urban life, I won't discuss them here.

B. The GLF in Baoji city: a new economic strategy?

From Chapter 2 we knew that the part of central government's FFYP and the Second Five-Year Plan that concerned with Baoji city were revised greatly during 1957-8, but had no result because the CCP government seemed to abandon the urban planning after 1958. According to the historical reality, the projects of the central government in Baoji city during 1958-65 were only two medium-sized defense plants (Lingyun and Fenghuo Machinery Plants) and the Baoji Petroleum Pipe Plant of the central ministries, both of them belonged to 694 above-norm projects, were built there.

Even though after 1959 there was no formal urban planning in Baoji city, many important principles proposed in the revised plans of 1957, 1958 and 1959 were still effective in urban construction. The industrial location in Baoji city followed the

arrangement suggested in 1958 and 1959, and concentrated important projects – especially those defense projects – in the Jiangchengbu industrial zone that was newly formed at the end of FFYP. It seemed that this location was chosen because of possible anti-air attack, because this zone was located in the mountainous area of the Qinling Mountain. The small machinery plants established by the municipal government were clustered in the Fulinbu industrial zone on the west of old Baoji city, where Baoji Engineering Machinery Plant of the Railroad Ministry was located in the FFYP. The Baoji Petroleum and other small steel and iron plants were located in the Tanjiacun zone that was designed as the metallurgy center of Baoji city. At the same time, the municipal government also designated the Xiangjiazhuang 相家庄 and Xiamaying 下马营 areas on the southeastern suburb of Baoji city as future industrial zones. The Shangmaiying 上马营 area between the Xiancheng town and Shilipu town now became the special area for railroad transportation.⁴⁷

This industrial distribution in Baoji city that divided new areas of Baoji city into several specialized industrial zones, was called “(industry) scatter in the whole city 大集中 but concentrate in one area of the city 小分散”. The government regarded this principle as having at least three advantages. Firstly, this industrial distribution in urban area avoided the industrial concentration that would reduce the economic damage in the event of an air-attack. Secondly, this distribution gave every area of the city enough space as living areas for the plants’ workers, thus not having to make the workers go a long distance to work. Thirdly, this division and specialization of urban areas of Baoji city meant the government could develop the city one area after one area, and thus lessen the burden on capital, planning, and other things for urban construction.⁴⁸

The objection of the central government to the “over-expansion 规模过大, too much land use 用地过多, and too high standard 标准过高” in urban planning and construction in 1957, directly lowered the standard of urban construction in Baoji city. It was planned that the living space for every person in Baoji city in 1962 should decrease from 9 to 4.5 square meters, and multi-story buildings should not be higher than 3 stories. The water supply to residents also dropped from 50 liters per person to

30 liters per person, and piped tap water was only offered to one neighborhood block or street, not to every house, except to the multi-story buildings. And so too there were cutbacks in other areas of the urban infrastructure – like the sewage system, public health, public facilities like parks, green lands.⁴⁹ Consequently, the water pipe and sewage pipe were only 11.39 kilometers and 6.5 kilometers long, and there were only two bus lines having a total of ten buses.⁵⁰ The new water plant could not meet the water needs of the whole city. Some large-sized plants, such as the Changling Machine Plant and Baocheng Meter Plant in Jiangchengbu area had to rely on their own bore wells.⁵¹ This reduction in the construction standard of the urban infrastructure can also be seen in the industrial sectors, which was called the construction principle of “gan dalei 干打垒”. The construction of employees’ living facilities as well as the production facilities were both simplified, which caused many problems due to the low quality and the short-life of these facilities, and the new low level of standards of the production facilities.⁵²

The industrial construction in Baoji city during 1958-62 was still centered on the heavy and defense industries, and military security was the most important element deciding the location of important industrial projects. As discussed in Chapter 2, the industrial plan of central government in Baoji city and Shaanxi province were changed greatly after 1957 because of the consideration of national security. And the most important projects built in Baoji city during 1958-62 still belonged to the defense and heavy industries: the defense Fenghuo and Lingyun Machinery Plants of the Fourth Machine-building Industry Ministry and the Baoji Petroleum Pipe Plant (the largest one in China and one of the 156 key projects of the Petroleum Industry Ministry).⁵³ There also had two relatively small but strategic defense projects: one large-size petroleum store of the Petroleum Industry Ministry and the Baoji Fire-fighting Equipment Plant (it first named as Xinbao Fire-fighting Equipment Plant) of the Public Security Ministry 公安部 that relocated from Xi'an to Baoji city because of the industrial over-concentration in Xi'an.⁵⁴ The industrial plan in Shaanxi also largely focused on the heavy and defense industries because of the large-scale establishment and relocation of defense and heavy projects that happened there during

1958-64.⁵⁵

In Baoji city, what were different from the situation in the FFYP were the ambitious economic plans that the Baoji Municipal Government made for its economy. In the short-term plan, the Baoji Municipal Government hoped to increase its industrial and agricultural investment by 25.1%, and to establish 614 small industrial plants and 1,000 street industrial plants during 1958-59, and finally to realize the 85.35% and 61% gross production value increase of the industrial and economic sector managed by it respectively.⁵⁶ For the long term, with respect to the economy managed by the municipal government, it was decided to aim for a ten-fold increase of gross industrial value reaching 5 million yuan, and for a 4-fold number of local industrial products by 1962.⁵⁷

As far as the method of industrial expansion used in this period was concerned, the central ministries still used the “old plants supporting new plants” to establish their projects in Baoji city. The Lingyun Machinery Plant was established with the supports of the First Automobile Producing Plant in Changchun of Jinlin province and No. 719 and 723 Plants (both defense plants) in Chengdu of Sichuan Province and Tianjin city.⁵⁸ Fenghuo Machinery Plant was established by No. 712 Plant in Tianjin and other old plants in eastern China.⁵⁹ The Baoji Fire-fighting Equipment Plant received 270 skilled workers and staff from the Special Engine Plant of Xi'an Sub-division of the Public Security Ministry 公安部西安分院特种电机厂, and trained its 252 apprentices (recruited from Hanzhong Prefecture and Baoji Prefecture) in Shanghai Fire-fighting Equipment Plant managed by the Public Security Ministry.⁶⁰

Then what was the situation of the new small enterprises established by the Baoji Municipal Government, when it was said the method for their establishment and survival was through “self-reliance 自力更生 and self-sufficiency 自给自足”?⁶¹ According to the explanation by the Baoji Municipal Government, the real content of this principle was: “mass participation 全民兴办, small size 小型, mass donation 全民集资; industrial dispersal 分散建设; reliance on local materials 就地取材; production for local needs 就地制造; sell locally and try to sell to other areas 地销为主, 力争外销; break the norm 打破常规; survey 边探, explore 边采, study 边学, construction 边建设 and

production together 边生产.”⁶² These expressions seemed to emphasize the active roles of unskilled labor, small capital from residents, native technology, etc., in the industrial establishment. But in reality, this method was only used by the municipal government in a few areas. One area was to raise funds for local industry. Through voluntary donation by residents and government bonds, the municipal government raised 6.236 million yuan in 1958 that accounted for 80% of the industrial investment by the municipal government in that year.⁶³ Another area was the mobilization of non-productive organizations, like commerce, service, grain, urban construction, civil affair, public health, agriculture, etc., to establish all kinds of small plants or cooperatives.⁶⁴

The method that the municipal government used to build small industrial plants actually was still the “old plants supporting new plants” just as the CCP Committee of the Baoji Municipality stated:

“Existing plants, including those managed by the central and provincial governments, jointly-managed, and managed by municipal government, must each build a new small industrial project. —The existing plants not only should appropriate certain numbers of engineering and technical staffs to support the construction of local industries, but also should be responsible for the worker training for local industries, and must send technical staff and skilled workers for short-term and temporary technical instructions”.⁶⁵

Let us take the machinery plants as the example, as they developed quickest in this period. Twenty-two new machinery factories (one third of all new plants built by the municipal government in 1958) were established by dividing existing plants managed by the municipal government into two (one or several workshops of old plants were often expanded), or merging and upgrading related handicraft cooperatives.⁶⁶ For example, the Baoji Meter Plant and the Baoji Bearing Plant, two machinery plants managed by the municipal government, were built by the Baocheng Meter Plant and the Xinqin Machine Plant respectively. Even the street industry, the least mechanized part of urban industry and the best illustration of “self reliance”, were established according to the principle of the “state owned enterprises support collective enterprises 全民带集体, old plants support new plants 老厂带新厂, large

enterprises support small enterprises 大厂带小厂" (see Chart 13).⁶⁷

Chart 13. The machinery plants established by the Baoji Municipal Government in 1958-1962

	Name	Time	The way of establishment	The fate
New	The Mineral Machine Plant	1958		Cancelled in 1962
	The Electrical Welding Machine Plant			
	The Xinbao Steel Plant			
	The Pipe Pieces Plant			
	The Bearing Plant		Established by the Xinqin Machine Plant	
	The Electrical Machine Plant			Merged into Yumin Plant in 1962
	The Agricultural Machine Plant			
Up-grade	The Baoji Meter Plant	1958	Established by the Baocheng Meter Plant	Existed
	The Metal Appliance Plant		The Blacksmith Cooperative Association, Metal Cooperative Plant	Existed
	The Baoji Machine Plant		The Repairing Workshop of Daxin Flour Plant	Existed
	The Civil Vehicle Repairing Plant		The First Bicycle Repairing Cooperative, The Fifth Blacksmith Cooperative, Steel Appliance Cooperative of Douji District	Existed
	The Civil Vehicle Production Cooperative Plant		The Second Steel Appliance Cooperative, The Second Bicycle Repairing Cooperative	
	The Pottery Plant		The First and Second Pottery Groups	Cancelled in 1963
	The jointly-managed Yumin Machine Plant		The jointly-managed Yumin Steel Plant	Existed
	The Small Metal Appliance Repairing Plant	1963	The Small Metal Appliance Plant of Jintai District (1958), the Tool Plant of Changling Machine Plant, the Second Machinery Plant of Jintai District	Existed

Sources: Baojishi Diyī Qinggongye Ju (ed.), *Baojishi Diyī Qinggongye Zhi*, p.147, 193; Baojishi Jixie Gongye Ju (ed.), *Baojishi Jixie Gongye Zhi*, p. 6, 12, 68, 69, 73; Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 46.

Chart 14: Employees, productive workers and wages of handicraft industry in Baoji Municipality during 1958-61 (Unit of wage: thousand yuan)

		Categories of handicraft organizations and street plants	
		For production	For consumption
1958	Enterprises	24	71
	Employees	4684	2676
	Workers	4207	2416
1959	Enterprises	120	86
	Employees	5885	3245
	Workers	5369	2960
1960	Enterprises	195	107
	Employees	8513	4068
	Workers	7623	3602
1961	Enterprises	150	104
	Employees	6309	3948
	Workers	5520	3457

Source: Baojishi Renmin Weiyuanhui Tongji Ju (The Statistic Bureau of the People's Committee of Baoji Municipality), "Shougongye Lishi Ziliao (Historical materials of handicraft industry) (Jan. 25, 1961)", in Baoji Archives, 27-1-91.

What was interesting was the industrial development of Baoji city in this period revealed that the orientation towards the heavy and defense industries continued. Under the call to realize economic "self-sufficiency", Baoji Municipality centered its investments on the machinery, steel, electricity, and chemicals that were needed by existing plants.⁶⁸ Take the street industry that was one of most active in the Great Leap Forward as an example. In 1958 Jintai 金台 People's Commune (original Jintai District) built 183 newly established street plants (with 20,830 workers), and most of these street plants produced articles of everyday use, such as chalk, bamboo, socks, purses, tailoring, common utensils, and so on.⁶⁹ But during 1959-60, the municipal government ordered that the street industry should cater to the increasing industrial and constructive needs arising from the GLF.⁷⁰ From Chart 14 we can see that many handicraft cooperatives that formerly produced goods for daily use now produced for industrial needs. In 1960, among all 71 street enterprises in Baoji city, 42 enterprises with 2,324 workers served the industrial needs of large-sized plants, while only 28 of them with 789 workers served the needs of the residents' daily life and only one with 34 workers produced for the agricultural needs.⁷¹ This situation of the street industry in Baoji city coincided with the description of national street industry by Audrey

Donnithorne, who noticed that two of the three main forms of street industrial enterprises were those “making spare parts of ancillary products on contract” and those “undertaking the repairing work of one type and another type”. It was clear that these two kinds of enterprises had to rely on the support of existing factories, for the latter were their main clients.⁷²

It should be noted that the street enterprises also had the function of providing social relief for the urban poor.⁷³ By absorbing those urban poor into street enterprises and employing them to do some simple work, street enterprises played a major role in realizing the CCP government’s principle of “helping oneself by engaging in production 生产自救”. With the development of these street enterprises, except for 62 households that had no qualified labor for production, 1,393 urban poor who lived on government relief all got jobs in street enterprises.⁷⁴

This continuous orientation of industrial development toward heavy industry in Baoji city was natural when we considered the method of the industrial expansion. The call for economic “self-sufficiency” and “self-reliance” meant that the new industrial plants had to rely on the resources from and the product marketing of existing plants. Because old plants mainly belonged to heavy and defense industries, it was not unusual to see that the new industrial plants were still established along those lines because what they could get and market all belonged to the heavy industry. Consequently, the old industrial structure that centered on heavy industry in the FFYP not only did not change, but also was strengthened. The share of light industry in the total industrial value of Baoji Municipality decreased from 75.3% in 1957 to 66.8% in 1962, but the share of heavy industry increased from 24.7% to 33.2% (see Appendix 3).

The above descriptions supported the view of Victor Lippit and Chao Kang that some important principles of the FFYP were still used by the CCP government in the GLF. Firstly, the central government still tightly controlled the most important industrial projects, even if it devolved many large-sized enterprise to provincial governments in this period. Secondly, the government’s regional and industrial policies were still designed on the basis of military concerns, and centered on the

modern heavy and defense industry. In Baoji city, the orientation toward heavy industry was strengthened more than before. Thus, without negating the importance of the heavy and defense industry and large-sized plants, the new industrial policy of the CCP government expressed in Mao's article "On the ten great relationships" and his call for "walking on two legs 两条腿走路" emphasized the simultaneous growth of different economic sectors and different sizes and types of industrial plants.

C. Problems of the GLF in Baoji city: the local and national view

1. The problems before the end of 1959 and the government's reactions

Since 1959, the negative effects of the mania to pursue quick industrial growth could be seen. The first problem was the severe pressure on the supply of a wide variety of economic resources. Not only was skilled labor scarce,⁷⁵ but even qualified able labor was also in short supply. When the Baoji Municipal Government decided to establish 100 street enterprises at the beginning of 1959, it found only 34 qualified male urban citizens who could be employed, and later had to mobilize 613 housewives mostly without literacy, skills and working experiences, to join production, which made these enterprises almost full of unqualified and unskilled laborers.⁷⁶ This unsatisfactory composition of workers, along with the abandonment of rational industrial management practices and the encouragement of native technology and mass involvement, resulted in the widespread problems of low productivity, low quality, high-rate industrial accidents, and too much waste in the whole China.⁷⁷ Furthermore, all kinds of enterprises faced the lack of productive materials and products. The enterprises that were devolved from the central ministries to Shaanxi Provincial Government in Baoji city found that their former material and products supply organized by the central ministries were cut off after their devolution. But provincial governments either had no ability to establish new material supply channels, or used the material and products of these enterprises for other purposes. The newly upgraded enterprises from the handicrafts industry in Baoji city also found that their original supply and marketing channels were interrupted after the municipal

government extended its controls on these enterprises in the GLF and re-organized their production, material supply and marketing according to the plan of the municipal government. But the limited powers of the municipal government meant that it could not guarantee the sufficient material supply for these enterprises, and these enterprises had to wait for the unpredictable supply from the commerce organs.⁷⁸

The second problem was the shrinking of urban handicrafts and commerce at the cost of quick industrial development.⁷⁹ Because these two sectors were considered less important to the national economy, and many of their enterprises were not public,⁸⁰ their resources were drained to establish those public industrial enterprises. In Baoji city, the main form of exploiting the resources of handicraft organizations was called “the great upgrade 大升级”, that was to merge and upgrade handicraft organizations from collective to state-owned small plants managed by the municipal and district governments, and at the same time change their productions. In Baoji city, during this “great upgrade” 94 handicraft organizations with 2,655 workers were ‘upgraded’ as 32 state-owned or commune-owned industrial plants for other productions, which took account of 76% of the total craftsmen and became one part of the transformation of about 5 million craftsmen into industrial workers nationwide in 1958.⁸¹ After this upgrade, only six handicraft associations were left in Baoji city.⁸² This exploitation on handicraft industry in Baoji city and other cities meant that more than 500 handicraft products that people needed were no longer produced in Shaanxi province, and had to be imported from other provinces. At the same time, the quality of handicraft products decreased. In commerce, the number of commercial stores became fewer; this meant that people had to travel a long way to buy something daily necessities.⁸³

Another important problem of the GLF was the sharp increase in urban labor and population that heavily burdened the urban supply of food and other living necessities. At the beginning of the Second Five-Year Plan, the employment plan made at the end of 1957 was still quite prudent, and its spirit was ‘work more, enroll less, improve production and other affairs without the increase of labor 多办事、少增人、增产增事不增人’. The Shaanxi Provincial Government ordered that lower government such as the

Baoji Municipal Government recruit only small numbers of temporary workers.⁸⁴ But this employment policy was quickly changed when the CCP government and its enterprises chose the labor-intensive model to accelerate the industrial output due to the lack of skilled labor. This model needed so many young and strong laborers that the urban laborers were not enough. In Baoji city, the enterprises in 1959 wanted 7,435 unskilled young workers, but the government could only offer 2,300 urban laborers. Even after recruiting some unqualified urban residents, such as housewives, older people, and employees in commerce and service, the labor needs were still not satisfied. The municipal government finally had to enroll many workers from rural places⁸⁵ In Baoji Municipality, the number of industrial employees quickly jumped from 20,593 in 1957 to 34,396 in 1958 (See Appendix 6, 7, 8).

After realizing that decentralization did not empower it to solve these problems, the Baoji Municipal Government had to launch a series of mass campaigns to lessen the pressure on its resources. In order to solve the lack of labor and equipment, the municipal government launched the mechanization campaign during 1958-60 to improve productivity of its enterprises most of which were labor-intensive and low mechanization.⁸⁶ The municipal government also stressed the importance of training apprentices and offering professional education to ordinary workers.⁸⁷ Furthermore, the government tried to lessen the pressure of material scarcity by the campaigns of “saving material in production 生产节约” and “rational suggestions for production 合理化建议” in the same period.⁸⁸ But this campaign seemed only to bring limited results, and the industrial plan in many areas was not finished due to the lack of materials.⁸⁹ Furthermore, the municipal government decided that if the enterprises of the urban People's Commune competed with large-size enterprises for the same material, the smaller enterprises would stop production or produce something else. And the government emphasized that the main task of these small enterprises should be to serve agriculture. From April 1959 onwards, the Baoji Municipal Government began to take back the small public and jointly-managed enterprises that had devolved to the People's Communes (district) and to re-arrange their materials supply; eventually, only collective and self-reliant enterprises were left under the control of the People's

Communes.⁹⁰

In order to revitalize handicrafts, the government used the policy of “back to the team 归队” that mobilized the handicraft workers to go back to handicraft organizations from industrial enterprises. Many ineffective industrial enterprises were disbanded and its equipment and work force were transferred to related handicraft organizations.⁹¹ To support the recovery of handicraft organizations, the government encouraged the handicraft organizations to re-establish their traditional relations with other enterprises, and asked the commerce departments to do better in material supply.⁹²

The CCP government, realizing the pressing problems of the over-expansion of the urban labor force and urban population in January 1959, decided to stop the labor recruitment and to fire 10 million urban employees of state-owned work units nationwide.⁹³ But this reaction, with the above policies, was interrupted by the political struggle of the anti-rightist campaign in the second half of 1959 initiated by the Lushan Meeting in which Mao criticized Marshall Peng Dehuai 彭德怀 and his advocates as rightists who strove to publicize the serious problems of the GLF. After Mao purged and suppressed “dissidents” and “spies”, the mania of the Great Leap Forward started again. However, now Mao and his advocates had to face the problems caused by the administrative decentralization.

2. The problems of the GLF after 1959 and the economic crisis

The quick expansion of the urban population continued after 1959 when Mao decided to continue the GLP. In Baoji Municipality, the employees of the state-owned enterprises increased by 83.26% from 72,400 at the end of 1957 to 132,700 at the end of 1960. People who relied on grain supply (or in Chinese shangpinliang 商品粮) from the government in urban areas increased by 57.6%, from 218,880 in the end of 1957, to 345,000 in the end of 1960. In comparison, rural laborers decreased by 20.15%, from 625,000 in the end of 1957 to 499,000 at the end of 1960.⁹⁴ These labor increases also made Baoji city’s urban population rise from 132,900 in 1958 to 186,000 in 1960 (See Appendix 2). Nationwide, the industrial workers skyrocketed

from 9 million in 1957 to 25.6 million in 1958, for the new employed workers increased by 234% over the previous year (some of this is partly due to the development of rural industry).⁹⁵ The number of employees of state-owned work units increased by 20.82 million, followed by an extra 15.4% of governmental fiscal expenditure (about 18 billion yuan) on workers wages.⁹⁶ And as Audrey Donnithorne stated about 10 million rural people flowed into cities in 1958.⁹⁷

The verticalization of industrial production on the base of provinces, or economic localism, also emerged in this period as one result of the GLF. Thomas Lyons thought this localism was a direct result of the self-reliance and self-sufficiency policies but rooted in “the partitioning of the economy” caused by two different planning systems of the ministries and the provincial authorities.⁹⁸ Simply speaking, the impetus for quick industrialization in the GLF led to a nationwide relative scarcity in productive materials and products. The collapse of the balanced national allocation and circulation of many scarce resources after decentralization meant that the provincial and municipal governments had to establish plants to produce needed materials and products by themselves, which finally verticalized the provincial economy and segmented the national economy.

Lyons said that from the view of the national economy, this localism led to substantial costs and slow productivity, improvements and output growth for the economy as a whole.⁹⁹ But it seemed that it harmed the economy of the interior most. The backward industrial capacity of the inland provinces and their dependence on the importation of important resources (such as equipment, skilled labor, capital, etc.) from coastal provinces,¹⁰⁰ made it difficult for these provinces to establish new plants to produce what they needed, when the movement of resources was cut off by the decentralization and the localism of the coastal provinces. The devolution of enterprises and higher educational institutions did not help the inland provinces much, because most large and advanced industrial enterprises in the interior were basic industries and defense industries that were not devolved, and the higher educational institutions concentrated on coastal areas. At the same time, although some interior areas were rich in raw materials, the allocation and circulation of mineral products

were still under the authority of the central government. Without the control over these materials that might act as a potential comparative advantage to the areas where they were produced, the interior provinces lost the chance to transform this potential into a reality.

The central government had already foreseen the risks of this localism and segmentation, and made respective arrangements at the beginning of administrative decentralization, such as the establishment of 7 economic coordinating regions and the calls to strengthen inter-regional and provincial coordination.¹⁰¹ But these policies did not work well, and in the early 1960s, the central government admitted the regional differences (gaps) in the industrial structure had been enlarged since the Great Leap Forward. In 1962, the central government found that heavy industry was highly concentrated in the North and Northeast of China, and light industry was concentrated in the east and central provinces. At the same time, the central government became worried about localism, particularly in the monetary system. The central government found that because the majority of industrial products were produced in eastern China and circulated there with very limited exportation to the interior, urban residents and peasants in the interior had little chance to spend their money and consequently thousands of millions of currency were overstocked in the interior. This created the risk of inflation in these regions.¹⁰² Donnithorne also mentioned that the gaps between different regional commerce systems were expanded in this period.¹⁰³

It was well known that the worst consequence of the GLF was the collapse of agricultural production and then the emergence of a large-scale famine with high casualties. In Baoji Prefecture, the production of grain, cotton, and oil crops dropped by 4.1%, 47.9%, and 8.2% respectively.¹⁰⁴ In Shaanxi, the grain production in 1959 decreased by 7.7% from 1956, and then decreased again by 13.6% in 1960. The most important economic plants, cotton, decreased its production by 16.3% in 1959 and 34.3% in 1960 from 1956 respectively. Oil crops also decreased by 17.5% and 40.2% in the same period.¹⁰⁵ A similar situation also existed in many provinces, and directly led to the nationwide shortage of food supply to urban and rural areas. In 1958 and

1959, the grain and vegetables consumed by every person in the rural areas dropped from 208.5 kilograms per year in 1958, to 190 kilograms per year in 1959, and to 141 kilograms in 1960, decreasing by 32.2%. In urban areas, the government reduced the amount of food supply for urban residents and tightened the grain coupon system to limit consumption.¹⁰⁶

Even though the CCP government often publicly attributed this disaster to the bad weather in 1959-1961 and the political betrayal of the Soviet Union, the case of Baoji city proved that it was the CCP government that had to shoulder the main responsibility for this disaster because of its neglect of agricultural production and the drying-up of agricultural resources during the GLF.¹⁰⁷ The share of agriculture in the investment of Baoji Municipal Government decreased from 5.8% in 1958 to 4.74% in 1959. On the contrary, the industrial investment during this period was always above 60% of total investment, even amounting to 90% in 1959.¹⁰⁸ In the level of the whole nation, Kjeld Bradsgaard estimated that during 1958-60, 57%, 56.7%, and 53.3% of national capital investment was spent on heavy industry, while the shares of light industry decreased from 5.9% in the period of the FFYP to 4.0% in 1960, and the share of agriculture increased little from 7.8% in 1953-57 to 10.5% during 1958-9.¹⁰⁹ Furthermore, the explosion in urban residents caused by the labor-intensive industrial increase put heavy pressure on agriculture for food and other goods. During this period, the number of Baoji city's urban population increased by 55,000 from 131,000 in 1957 to 186,400 in 1960, almost equal to the increasing number from 1949 to 1957 (56,400) (see Appendix 2). Shaanxi province faced the increase of the non-agricultural population by 350,000 people per year respectively, when the rate suggested in the FFYP was only 80,000 people per year respectively.¹¹⁰ In addition, the government over-exaggerated its agricultural harvests and consequently too much grain was taken from rural areas; this also pushed China's agriculture into decline.

The crisis of agriculture eventually led to the breakdown of other economic sectors in the early 1960s. In Baoji Municipality, the gross value of industrial production decreased 12.8% in 1962 from 1957.¹¹¹ And nationwide, hundreds and thousands enterprises were shut down, and millions of urban residents were sent to

rural places to lessen the food burden of the cities and to strengthen agricultural production. The best example of this economic crisis was the fact that the living standard of urban residents in Baoji city dropped dramatically. During 1961-2, Baoji Municipal Government and Shaanxi Provincial Government conducted surveys about the living conditions of ordinary workers in Baoji city and Xi'an city. The governments found that in Baoji city, the living standard of ordinary workers in 1962 decreased by 39.9% from that of 1957. Among 4,134 workers surveyed, 1,151 workers, or 25.4%, were in debt. The savings of ordinary workers also decreased dramatically every year: in 1961 savings decreased by 11.07%, and in 1962 by 34.62%. Meanwhile, people spent more money on food, because its share in the cost of living increased from 56.32% in 1957 to 67.73% in 1962. Most of this cost was used on grains and vegetables, and the money spent on meat, eggs, fish and fowl dropped by 80%, 77.19%, 83.87%, and 84% respectively. In general, the government estimated about 53.5% of workers surveyed lived in poverty.

The provincial and municipal governments determined that there were several reasons for this worsening living standard. The first was inflation, when 100 yuan in 1962 was only equal to 63.9 yuan in 1957 in Xi'an and Baoji cities. The second was the drop in worker's earnings, which decreased 4.01% in 1961 compared to 1957 according to the surveys. Some workers even had no money to buy clothes for the winter. Thirdly, the urban unemployment became serious again when the urban employed labor decreased by 3.74% while the urban population increased by 12% in these two cities. Fourthly, the lower quality of many produced goods increased living costs.¹¹²

But the situation of Shaanxi's agriculture was a little better than its eastern and western neighboring provinces, such as Henan, Shandong, and Gansu province where hundreds and thousands people died of starvation and malnutrition. The agricultural production in Shaanxi decreased only by about 7.8%, much less than the average decrease of 26.4% for the whole nation. And the food supply in Shaanxi was tight, but still was enough to meet people's basic needs. This condition could be partly attributable to the relatively cautious and prudent attitude of the Shaanxi Provincial

Government towards agriculture and the industrialization in the GLF when in 1958 Shaanxi province experienced the severest drought since the 1930s.¹¹³ This agricultural crisis forced the leaders of Shaanxi province to hold a rather realistic attitude and pay more attention to agricultural production earlier, which Vermeer thought was helpful in preventing starvation and saving many lives in Shaanxi.¹¹⁴

This relatively better situation of Shaanxi attracted many refugees who flowed into Shaanxi province during the early 1960s. In the beginning of 1961, many vagrants of Gansu province streamed into Baoji city. They were so hungry that some of them sold their children or wives in exchange for food, and some robbed and stole from the residents in Baoji city, and it was reported that even dozens of them died on the streets of Baoji city of illness, hunger, and exposure in winter.¹¹⁵ Shaanxi Provincial and Baoji Municipal Governments on one hand tried hard to offer temporary relief to these refugees, but eventually sent them back to their homelands.

II. Baoji city in the period of economic adjustment (1960-5)

Faced with these crises, the CCP government was publicly committed to solving the problems of the Great Leap Forward, and began to readjust its policies in The Ninth Session of The Eighth Congress of the CCP in early 1961. In this meeting, a very cautious economic principle called “adjustment 调整, consolidation 巩固, strengthen 充实, improvement 提高” was decided as the new general guideline for economic development.¹¹⁶ In the Expanded Meeting of the Central Committee of the CCP in January 1962, the central government addressed four fundamental problems of the Great Leap Forward. The first problem was the unrealistic economic plans with too high capital investment, and the imbalance among different economic sectors. The second problem was concerned with the People’s Communes, because it permitted the grassroots governments to extract too many resources from agriculture. The third was over-decentralization. The fourth was the disproportionate increase in urban population that resulted in the difficulties in urban supply and rural production.¹¹⁷ Correspondingly, to resolve these problems became the main targets and content of the new strategy and related policies of the CCP government during this period.

A. The administrative restructuring

Because over-decentralization was regarded as one important reason for the crises of the GLF, administrative restructuring was done again in 1961-3, signaled in 1961 by the issuing of the “Temporary Regulation of Administrative Institution Adjustment 关于调整管理体制的若干暂行规定” and “The Directive About Current Industrial Problems 关于当前工业问题的指示” by the Central Committee of the CCP.¹¹⁸ Scholars had different views on this administrative restructuring. Yang Guanqiong regarded this restructuring as a centralized one, while Hu Shudong regarded that decentralization was still the main theme. Donnithorne and Schurman pointed out the coexistence of these different trends in this adjustment period.¹¹⁹ According to the sources of Shaanxi province and Baoji Municipality, many devolved administrative powers were still kept in the hands of provincial and municipal governments, and so I agree with the argument that the centralization at this time was only selective.

The main trend of the administrative centralization in this period was first shown in the reestablishment of many old specialized organs and the establishment of new ones in the central government. In the beginning of 1962, the Finance and Economic Group of the Central Committee of the CCP 中央财经小组, the top organ for economic management to strengthen the coordination between different ministries and regions, was reestablished, and Chen Yun 陈云 became its leader again.¹²⁰ The number of specialized central ministries and committees of the State Council increased from sixty-two in 1962 to seventy-nine in 1965, as the result of the reestablishment of many specialized ministries after their merger or cancellation during the decentralization.¹²¹ Along with this organizational expansion of the central government was a paring down in the provincial and municipal governments, as many section and office 处科级 organs at these levels were cancelled.¹²² During this organizational restructuring, the Baoji Municipal Government specialized its administrative affairs into 14 types, and merged and adjusted existing functional bureaus and offices accordingly.¹²³

But these changes to the CCP system revealed that this administrative centralization was to concentrate power into the hands of the CCP, not the central

government. In 1961, the Central Committee of the CCP established 6 central bureaus (the bureaus of Northeast 东北, Northwest 西北, Southwest 西南, South-Central 中南, North of China 华北, East of China 华东) to tighten its controls over the provincial governments and strengthen the inter-provincial and regional coordination under the leadership of the Central Committee of the CCP.¹²⁴ Similar in administrative functions to the governments of large administrative regions that were cancelled in 1954, now these central bureaus the direct organs of the Central Committee of the CCP, not the State Council, and were not independent administrative organs.¹²⁵ Furthermore, with the establishment of various Party agencies in all specialized organs at all levels of the governmental system from 1961, such as the Party' groups of all specialized ministries, from then on it was the CCP system, not the governmental system, that had the real administrative power.¹²⁶ But Schurmann argued that the establishment of these Party agencies had different influences at different administrative levels. Because all these political organs of the Party at the provincial and municipal government levels in various government organs were subjected to the commands of local and provincial CCP Committees, it was obvious that this establishment had some limitations for the newly recovered branch type centralization. But at the level of enterprises, these political agencies that acted with the real powers of industrial management, often acted following the vertical rules and functioned according to the directives of upper organs with little connections with the Party's committee of enterprises.¹²⁷ This was what the CCP government did not want to see.

Centralization had become mainstream in the fiscal field since January 1961.¹²⁸ The fiscal powers were concentrated in the hands of the central government and the central bureaus of all six big regions, and the fiscal autonomy of the Prefecture, County and People' Communes was attenuated. The new rigid budgetary system prohibited any budgetary changes by the provincial governments without permission of the central government, and it also deprived the provincial and municipal governments of any power to confirm any investment projects.¹²⁹ Furthermore, the new model of fiscal revenue allocation, the "redefining the proportion of fiscal

revenue left for provincial government annually 总额分成、一年一变”, meant that the central government would take most of the revenues of the provincial governments and supervise strictly and carefully the revenues left for them.¹³⁰ As a result, the central government became the main investor, whose share in national capital investment reached 85.88% in 1965.¹³¹

The government also centralized the management of consumptive goods. At the end of 1958, the central government classified consumptive goods into 3 groups, and gave to the provincial governments the management of the least important group that were only locally needed.¹³² But when the economic situation became worse after 1960, the Commerce Ministry gradually replaced the provincial governments in managing this third group of consumer goods,¹³³ and this and other ministries controlled various agricultural products and retailed goods that accounted for 70% of the respective national values.¹³⁴ In the deal with the industrial ministries, the Commerce Ministry and its branches now could reject disqualified products, and had the rights to only import and purchase according to market needs without interference from the administrative orders of the grassroots governments. At the same time, the Commerce Ministry reorganized the spatial distribution of its branches to be more adaptable to spontaneous economic conditions, which was called by Audrey Donnithorne “the independence of commercial organs to local government”, because the areas that the commercial organs served were often different to the administrative area that the same level local government managed, which meant the local branches of the Commerce Ministry could act relatively independently in goods allocation and circulation.¹³⁵

The central government also centralized the management of productive materials and products. The most important two types of materials and products – the “unified allocated” and “ministries managed” – increased their number from 285 items in 1959 to 417 items in 1960, and finally to 592 in 1965, and they accounted for 60% of national industrial production. Along with this expansion in materials control by the central ministries, by the end of 1962, about 500 large and medium-sized enterprises of the provincial governments became the enterprises with “direct supply”, and relied

on the central ministries for their material supply and product marketing.¹³⁶ The regional bureaus of the CCP's central committee took away the powers of managing "locally managed" materials from the provincial governments, and organized the circulation of these materials according to the principle of "regional balance" instead of "local balance" to avoid any kind of economic localism based on province.¹³⁷ But what were more important were the efforts of the central government to find a middle way between centralization and decentralization.

The central government used the "supply by fixed depots and fixed amount 定点定量" to establish the fixed and direct productive relationship between the demander with large needs and the supplier enterprises. For example, from then on, the coal mines directly supplied large amounts of coal to large steel plants according to bilateral contracts arranged and supervised by the Fuel Industry Ministry and the Electricity Ministry.¹³⁸ This policy of establishing stable and constant economic relationships between enterprises often in different places obviously cut down excessive bureaucratic red-tape to improve efficiency, and to some extent prevented the economic localism in material circulation because the central government did not permit the local government to interfere with or cut off this kinds of economic relationships.

As for the materials and products widely needed, their allocation and circulation were organized by the newly established system of the Materials Ministry 物资部 that took over all marketing organs of the central ministries and controlled the allocation of almost all "unified allocated" and "ministry managed" and many 'locally managed' materials and products. All specialized ministries and provincial governments allocated materials to their enterprises by first getting materials from the branches of the Materials Ministry and then circulating them through their own supply systems.¹³⁹ In this way, the Materials Ministry could efficiently and flexibly balance the material allocation and circulation among different sub-systems and regions according to the real situation.¹⁴⁰ The Material Ministry occasionally even held Exchange Meetings 交易会 for the exchange of those unimportant materials and products (often locally managed) and the excess amount of the ministry managed materials between

enterprises.¹⁴¹

The inner structure of the Materials Ministry was very similar to the Commerce Ministry. Under the ministry there were many specialized logistic sub-systems managed by specialized companies/bureaus and each of them was responsible for one or several types of materials and products, such as the Metal Company (Bureau), Ferrous Metal Company (Bureau), Machinery and Electric Company (Bureau), Chemistry Company (Bureau), and so on. The Bureaus and their local branches were responsible for the planning and allocation of materials, and the Companies and their local branches managed the material circulation and supply (wholesale distribution). In reality these two lines in organization and personnel were the same one. It was called “two names for one organization 一套机构、两块牌子”. The sub-system of each Bureau (company) comprised three levels: regional, provincial and area (one or more prefectures). For example, in the wholesale (Company) system, the 61 first-level wholesale depots were located in those largest cities having the regional production centers or the largest demand centers of certain materials and products, such as Shenyang (the Northeast), Tianjin (the North of China), Shanghai (the East of China), Guangzhou (the South of China), Xi'an (the Northwest), Chongqing (the Southwest), Wuhan (the Central China), Zhengzhou, and so on. These first-level wholesale depots were responsible for the regional circulation and supply according to the approved plans made by the related regional Bureaus. Under them were the second-level depots that were responsible for the provincial circulation and supply under the arrangement of the provincial branch of related Bureaus. Under these were the area wholesale depots that supplied according to geographic demand patterns.¹⁴² For example, the Material Companies and Bureaus of Baoji Prefecture established in 1963 managed the allocation and circulation of productive materials for 5 Prefectures of Shaanxi (Baoji, Hanzhong) and Gansu (Tianshui 天水, Pingliang 平凉, Jingyang 泾阳) provinces.¹⁴³

The management of enterprises was only partly centralized. From 1959, the central ministries started gradually to take back from the provincial governments their former big enterprises, and in that year they took back 79 large enterprises.¹⁴⁴ By the beginning of 1961, almost all enterprises under dual leadership of the central

ministries and provincial governments were now managed only by the former,¹⁴⁵ with some large-sized light industrial enterprises left for the provincial governments.¹⁴⁶ The Defense Industrial Committee 国防工业委员会 and the Railroad Ministry took over the management of all related enterprises.¹⁴⁷ In 1965, the number of enterprises managed by the central government jumped to 10,533 (included those newly built by central ministries), up from 2,400 in 1959, and these enterprises accounted for 42.2% of national industrial value.¹⁴⁸ At the same time, just as we said above, there still had many enterprises managed by the provincial governments relied heavily on the central ministries in material supply and product marketing.

Economic planning also included partial centralization, in order to control and limit the capital investment and cool down the national economy. In 1960 the double-track system of economic planning was replaced by the new three-level planning system: the central government, the central bureaus of large regions, and the provincial governments. This new system concentrated the planning of important items in the hands of the central government. Because the Baoji Municipal Government had not gained too much during the decentralization period, what it lost in this partially centralization in economic planning was the only power to plan new small industrial projects.¹⁴⁹

In short, this new administrative framework was full of many diverse – even controversial – elements: temporary policies to deal with the urgent situation, and the deep rethinking of the mistakes of the GLF, and the efforts to avoid repeating the faults of the FFYP. With this administrative restructuring, the CCP government also began to adjust its industrial policy in the first several years of the 1960s. But just like before, we will find that even in the hardest economic times, the CCP government still insisted on some important old principles, such as the orientation towards the defense and heavy industries.

B. The new industrial policy during 1962-5 and Baoji city

With respect to the CCP government's industrialization strategy of the GLF, from 1960 on, the CCP government said publicly that agriculture, and basic industry

(which produced productive materials) were the basis of the national economy and would receive priority in government investment and other aspects.¹⁵⁰ The queue of the importance of different economic sectors decided by the central government in 1963, were: firstly, to solve the problem of living necessities 解决吃穿用 (agriculture and light industry), then to strengthen basic industry 加强基础工业, and concurrently pay attention to national defense and try hard to make progress in strategic weapons 兼顾国防 突破尖端.¹⁵¹

To recover agricultural production was then the most urgent task of the CCP government. In March 1960, the central government issued “Sixty Articles of Rural Work 农村工作 60 条” as the operational set of principles of the rural People’s Commune. These principles abolished some radical policies such as public canteens, and promised the government’s support to agriculture in investment, techniques, and industrial production. The focus of these principles was the restructuring of the People’s Commune because the Commune was thought as one important root of the collapse of agriculture. The size of the People’s Commune was shrunk, and its structure was consolidated into three-levels: commune, large production team 生产大队, and production team 生产队. The accounting system was also established at all levels of all Communes to avoid the abuse and misplacement of agricultural resources.¹⁵²

In regard to the industrial policy, the CCP government tried hard to shrink the scale of industrial investment and to slow down the rate of industrial increase. The central government decreased the planned national capital investment in 1961 by 20.3% to 27.5 billion yuan, and then decreased to 12.9 billion yuan, and further fell in 1962 to 4.6 billion yuan. Along with this, the central government dramatically cut down the number of industrial enterprises. In 1962, the central government established only 28 new large and medium-sized industrial projects, while cancelled or stopped 129 important projects. In the middle of 1962, the central government decided to cut off 38% enterprises in the whole nation.¹⁵³ In industrial establishment, the central government gave the priority to the more easily established medium and small-sized projects, and also called on to encourage the development of light

industries, especially the collective enterprises, such as handicraft industry, street industry, etc., to produce more consumptive goods for residents.¹⁵⁴ In industrial management, the central government stressed the industrial productivity and product quality rather than the quantity; and especially issued ‘Seventy Regulations of Industry 工业 70 条’ in September 1960 to re-introduce the rational industrial management model. The model of mass involvement in industrial management that was once praised so highly in the Great Leap Forward was abandoned, because it caused too many problems, such as waste, high rate of casualty in work, low productivity, and so on.¹⁵⁵ From 1962, remunerative incentives in many enterprises were used again to initiate workers to improve their productivity.¹⁵⁶

In Baoji city, the Baoji Municipal Government also copied the actions of the central government to restructure the economic sectors it managed. It firstly managed to slow down its pace in industrial development. The municipal government reduced its capital investment from about 63 million yuan per year during 1958-62 to about 39 million yuan per year during 1963-65,¹⁵⁷ and disbanded, merged, or downgraded 365 newly established state-owned small enterprises (for the case of the machinery industry see Chart 13 in p. 147).¹⁵⁸ To those surviving state-owned enterprises, the Baoji Municipal Government shifted some of them’s production to produce the machines needed by agriculture as one support to agriculture.¹⁵⁹ Furthermore, the municipal government spent much on how to improve the productivity of the surviving enterprises, which might partly be attributable to the fact commercial outlets were entitled to reject products with low quality or that were unwelcome in the market.¹⁶⁰ Because almost all of its enterprises were enterprises with “indirect supply” that had no stable and sufficient material and equipment supply, the municipal government had to try hard to guarantee their material supply to help the normal operation of these small enterprises. At the same time, the municipal government encouraged the establishment of rational management in these small enterprises, most of which were upgraded from handicraft organizations and had no experience of modern industrial management.¹⁶¹ The mass campaign of technology renovation and revolution started in the GLF still continued in Baoji city, but now its rallying point

was improved product quality, not mechanization on the basis of native technology.¹⁶²

These policies worked. According to the report of the municipal government, the productivity of the state-owned enterprises managed by the Baoji Municipal Government increased by 48%, from every worker produced 4420 yuan in 1961 to 6249 yuan in 1962, and at the same time the production costs of these enterprises decreased by 11.7% in 1962 from that of 1961. Consequently, the enterprises managed by the municipal government surpassed the 1962 plan of production value by 37.2%, and 64 state-owned enterprises once in deficit now became profitable due to the decrease of production costs. At the same time, the quality of many products also improved.¹⁶³

Responding to the directive of the central government to develop handicraft industry, the Baoji Municipal Government firstly disbanded and downgraded many small state-owned enterprises into handicraft cooperatives. Secondly, the municipal government strengthened the personnel of the urban handicraft industry by recruiting many old and skilled handcraftsmen in rural places as the members of these handicraft organizations. For the same reason, the municipal government reestablished the traditional form of apprenticeship training, “the teacher (old and skilled workers) teaching students (young workers) 师傅带徒弟”, and encouraged old craftsmen to teach the handicraft skills to their young children and recruited the latter as new members of handicraft industry. To raise the productivity and encourage workers, the piecework wage system of the handicraft industry was also re-used.¹⁶⁴ Secondly, during the national campaign of “all (enterprises of) our nation should learn from (the enterprises of) Shanghai 全国都来学上海” that started from the second half 1963, the provincial governments even organized hundreds of workers in industry and handicraft industry in many cities of Shaanxi province to learn about advanced techniques and the production experiences of those well-operated enterprises in Shanghai and other places of China. But this campaign did not work well. During their visit, many workers of Baoji city and other cities of Shaanxi province found what frustrated them most was not the backwardness of their skill, technique, and management, but the fact that they were almost never got or used advanced equipment.

like that used by their Shanghai counterparts. Faced with this frustration of the workers, the provincial and municipal governments had to emphasize the role of the workers' "revolutionary spirit" in production.¹⁶⁵ As the result of these efforts of the Baoji Municipal Government, the number of handicraft organizations in Baoji city increased from only 6 cooperative associations in 1959 to 26 associations with more than 1,800 workers in 1962, and further increased to 48 with 4,997 workers in 1965. And these associations were distributed spatially more efficiently than before.¹⁶⁶

During this period, Baoji Municipal Government and its district governments also encouraged the street industry to produce consumptive goods for residents and to meet the industrial needs of existing plants. The CCP Committee of Baoji Municipality in 1965 just copied the model of central government and also issued the "twenty regulations on the development of street industry 街道工业发展 20 条", to give an official confirmation to the street industry, and decided that the municipal government should offer support and give some autonomy to street industry.¹⁶⁷ During 1961-2, street plants in Baoji city decreased from 136 in 1960 to 82 in 1962, but climbed up again to 96 with 3420 workers in 1965.¹⁶⁸

Another kind of collective organization that developed quickly after 1963 were "service teams 服务队", which were established by the District Governments and some large and medium-sized plants in Baoji city, and supplied the services such as washing and cleaning, sewing, housework, house repairing, etc., to urban residents and factories. In 1965, Baoji city had four street service teams with 1,890 people, and 24 plant service teams with 1,700 people (the former were organized by the District Government, and the latter were organized by plants with members from families of the workers of these plants). Among them, housewives accounted for about 94%.¹⁶⁹

The rather stable existence and development of both the handicraft organizations and street enterprises resulted not only from the government's permission to let them develop as non-public economic organizations, but also from the popularity of their products and services with residents and existing plants. The urban residents drastically needed the consumptive products and services offered by these handicraft and street organizations, such as tailoring and sewing, eating utensils, knitting and

weaving, producing noodles, making leather products, etc., because many of them vanished during the Socialist Transformation. Even enterprises that produced fittings and pieces or repaired machines for large and medium-sized plants also successfully marketed their products to their clients,¹⁷⁰ when the economic localism and material scarcity made it difficult for existing plants to access related products. On the other hand, the development of these organizations not only created an important source of local fiscal revenues to Baoji Municipal Government whose revenues were mostly appropriated to upper levels of government,¹⁷¹ but also lessened the unemployment pressure in urban areas when so many urban workers lost their jobs in economic crisis.¹⁷²

However, the inferior position of these collective handicraft and street enterprises in the economic work unit hierarchy did not change. These organizations still faced the scarcity of materials and equipment because the supply from the Handicraft Management Bureau 手工业管理局 of Baoji Municipality (a special organ established by the Baoji Municipal Government for the management of collective enterprises after 1960) and the commercial organs were insufficient and unstable. According to the government's command, these enterprises had to solve this problem through "self-reliance 自力更生", which meant these enterprises had to rely on the scrap, waste 废品 and leftover bits and pieces 边角料 of state-owned enterprises, and go to other places to buy their materials at market prices. But even this also became more difficult for handicraft enterprises to do, because with the initiation of the campaign of saving material the state-owned enterprises in this period often handed their scrap to their upper managing organs according to plans, or used it themselves. At the same time, the wage systems of the handicraft organizations were still lower than those public ones, and social welfare was reliant on the special funds contributed by the members.¹⁷³ The wage system in the street enterprises was even lower than the wage system of handicraft organizations in the same production, and the highest wage of workers and managers could not surpass 40 yuan per month. Street enterprises also did not have working security insurance, free medical services, and retirement pensions for their employees. Even the grain supply to the workers of street

enterprises was lower than handcraftsmen by 10%. The street enterprises also found it hard to find skilled labor, except those retired skilled workers, technicians, and skilled workers who were fired by their work units, and some former criminals with skills.¹⁷⁴

These discriminative treatments in all aspects made these collective organizations very vulnerable. It was very common to see many of them go into debt and close down. In 1962, 8 street industry enterprises in Baoji city were in debt, which accounted for about 10% of the total number.¹⁷⁵ And these collective enterprises were very dependent on the large and middle-size enterprises in material supply, product marketing, and so on.

From the new industrial policy of the CCP government, we found the defense industry still kept its importance in the government's new strategy. This was the reasonable reaction of the CCP government towards the serious international situation. In this period, China not only had armed conflicts with India on its western borders, riots in Tibet and Xinjiang, and the infiltration of the Guomindang's army on coastal areas, but also had to face the deterioration of Sino-Soviet relations and a possible threat from the US when it was involved in Vietnam.¹⁷⁶

In order to prepare for the worst situation, the CCP government in 1962 and 1964 launched the campaign of "prepare for the war and adjust military strength 备战整军" twice to mobilize the defense industry for wartime production.¹⁷⁷ At the same time, the government kept a heavy investment in the defense industry in this period. In 1961, although the absolute number of capital investment in defense industry dropped almost by 50%, the share of this investment in national capital investment increased when the investment in other sectors dropped much more. In 1961 and 1962 when many enterprises and projects were shut down and cancelled, defense projects were not touched. In 1963, the investment in the defense industry accounted for 14.3% national capital investment, with another 31.4% of investment in heavy industry that had strong connections with defense needs, while the capital investment on agriculture and light industry only shared 39.2%.¹⁷⁸

The development of the defense industry in this period had four characteristics.

Firstly, sophisticated weapons, such as new type aircraft, battleship, radar and other weapons, were the focuses of development. Secondly, since 1961 the defense production in China began to regionalize when the central government ordered that the production of those sophisticated armament products should be self-reliant 自力更生 and self-sufficient 自给自足 as much as possible, and should be systematic in regions with regards to the material and equipment supply, accessories, or production co-ordinations between enterprises. In the eyes of the government, this regionalization had the advantages of arming quickly the troops and preserving the main productive capacity even if one or two regions were attacked or occupied. This policy seemed to contradict the government's efforts to prevent economic localism. Thirdly, with respect to spatial location and the size of the defense projects, the central government commanded that new defense projects should be mainly medium and small-sized, and should be located according to the principle of "to disperse 分散, conceal 隐蔽, and be near mountains 靠山". The government thought the current concentration of the defense industry in large and medium-sized cities was dangerous and must be adjusted quickly, and forbade the expansion of old large defense enterprises in these cities. Fourthly, the wartime mobilization spread to other fields. Many industrial plants of 7 civil ministries established after 1961 for civil use were designed to be able to switch to defense production if necessary, and some existing plants even began to produce some special and conventional weapons. And the central government established wartime mobilization organs at all levels of government from then on.¹⁷⁹

This trend explained why in Shaanxi province and Baoji city in this period the centers of industrial growth were still defense and heavy industries. In Shaanxi, most of 29,337,800 yuan capital investment of the central government in 1961 was spent on defense and related projects managed by the central ministries.¹⁸⁰ 53 important defense projects managed by the central ministries with 1.57 billion yuan investment in Shaanxi province also completed their construction without too many difficulties in this period.¹⁸¹ In Baoji city, the most important industrial establishment during this period, the construction of the Fenghuo 烽火 and Lingyun 凌云 Machinery Plants of the Fourth Machine-building Industry Ministry, two important medium-sized defense

projects designed by Soviet specialists before 1956, was influenced only slightly by the serious economic situation and all was completed before 1965.¹⁸² Another project of the central ministry, the Baoji Fire-fighting Equipment Plant of Public Security Ministry, paused its production only in 1962, but recovered after 1965.¹⁸³ The investment of the Northwest Bureau of the CCP central committee and Shaanxi Provincial Government in Baoji city concentrated on 3 projects of communication and transportation. Two of them concerned the Baoji-Chengdu and Longhai Railroads and one was a wireless short-wave station for communication.¹⁸⁴ So it was very interesting to see that when the central government emphasized light industry, the share of light industry in the total industrial production value of Baoji Municipality dropped greatly from 66.8% in 1962 to 34.9% in 1965, while the share of heavy industry doubled from 33.2% to 65.1% (see from Appendix 3).

C. The methods to solve the urban supply: the reduction of urban population in 1961-3

Besides the changes in the industrial policy, one important urgent problem was the insufficiency of the supply of grain and all kinds of living necessities to the city. To solve this problem, the government tried hard to develop agriculture and light industry to increase related productions, and at the same time suppress the urban dependence on grain and living necessities by various means. In this period we found the government decreased the supply of grain, oil, and cloth,¹⁸⁵ and expanded the coupon and rationing system in urban areas from grain, oil, cloth to other goods, such as pork, sugar, bread, crackers, towels, socks, shirts, silk, fur, and daily consumptive goods like cigarettes, alcohol, soap, watches, pots, sewing machines, matches, shoes, and basins, to save agricultural and industrial materials.¹⁸⁶

One important action of the government was “the reduction of urban population 精简城镇人口” by sending millions of urban residents, especially those who became urban residents during the GLF, to rural areas. From the viewpoint of the CCP government, this population reduction could limit the consumptive capacities of the

urban areas and lessen the inflation pressure caused by the extra fiscal expenditure on wages of 20,800,000 new urban workers recruited during 1957-62.¹⁸⁷ This reduction could also supply more young laborers to agricultural production. The central government commanded that rural laborers should account for more than 40% of the rural population, agricultural laborers should form the share of more than 80% of rural laborers during busy periods, and 70-95% of rural laborers should be under the management of the production team.¹⁸⁸

This reduction in the number of urban residents was divided into three phases nationwide. In 1961, the central government decided to send down to rural areas 9.5 million unskilled “employees of the state-owned work units 国家职工” who were recruited after 1957 and most of them were originally rural laborers, and another 3.5 million urban residents that were composed of young students who could not find jobs or could not enter higher or middle educational institutions, urban unemployed, and the families of the new urban workers came from rural places.¹⁸⁹ The second phase was in 1962, when in May 1962 the Central Committee of the CCP and the State Council decided again to send more than 10 million urban employees of state owned enterprises and about 10 million urban residents to the rural areas. This time the target expanded to the “employees of the state-owned work units” who got jobs around 1957 and many of them were already third-level skilled workers, with their families.¹⁹⁰ The third phase started at the beginning of 1963, when the government planned to mobilize another 6 million urban residents, among them 1.56 million to 1.72 million who were “employees of state-owned work units 国家职工” to go to the countryside. The final target was to keep urban residents at about 115 million and urban “employees of state-owned work units” at about 31 million.¹⁹¹ When this reduction was over in the second half of 1963, about 26 million urban residents were sent to rural places, among them 18.87 million were “employees of state-owned work units”. With this reduction, the number of employees of state-owned work units decreased from 50.438 million to 31.83 million.¹⁹²

In Baoji Municipality and Shaanxi province, the first large-scale reduction had already begun from March 1959, when the provincial government realized the

problems of the GLF and made certain adjusting policies.¹⁹³ The municipal government fired 6,000 employees of state-owned enterprises (4,000 employees of the enterprises managed by the municipal government, and 2,000 of the enterprises managed by the central ministries and the provincial government).¹⁹⁴ After this reduction were the 3 national reductions of urban residents, and the scope of this reduction extended from the industrial sector to other sectors such as non-industrial enterprises, all kinds of government organs, and non-productive institutes.¹⁹⁵ In early 1961, the Baoji Municipal Government sent more than 44,000 urban workers, almost 10,000 students, and 5,000 graduates from primary and middle schools to the rural areas.¹⁹⁶ After these reductions, the employees of state-owned work units in Baoji Municipality decreased by 35% (46,665), from 132,746 in the end of 1960 to 86,181 in 1963. The urban residents in Baoji Municipality decreased by 139,194, while the agricultural laborers in the municipality increased by 42,000, from 330,000 in 1960 to 372,000 in 1961.¹⁹⁷

In the case of Baoji city, several groups were almost untouched by this reduction. The demobilized soldiers and military officials as a special group were prohibited from being sent to rural areas.¹⁹⁸ It was also forbidden that the workers that had in-migrated from the big cities, such as Shanghai, Beijing, Tianjin, etc., be sent back because this would place a burden on those big cities.¹⁹⁹ For workers who left Baoji city to support the construction of other places under the command of government, their families could stay in Baoji city. For example, the families of the workers of the Railroad Ministry in Baoji city were allowed by the municipal government to live in the suburb of Baoji city, or in the city.²⁰⁰ At the same time, the government tried hard to leave the skilled workers and technicians untouched.

During this labor and population reduction, the municipal government often had conflicts with the enterprises of the central ministries. The enterprises of the central ministries often faced two different worker reductions proposed by their ministries and the municipal government respectively, and generally these enterprises only followed the direction of their ministries. For example, in 1959, 3 large and middle-sized defense plants (the Fenghuo, Baocheng, and Changling Plants) of the

central ministries only reduced the workers according to the number that their ministries ordered, which was smaller than the number the municipal government ordered. This made it impossible for the Baoji Municipal Government to complete its own planned target.²⁰¹

Furthermore, during this labor reduction campaign, the Baoji Municipal Government also met the opposition of workers and urban residents. Workers opposed this. Those workers who lost their jobs but were not sent to rural areas could receive only the relief payment that was only 30% of their normal wages. For those who lost their jobs and were sent to rural areas, the government only supplied them with two months of grain just like in the cities, without relief payment. After two months, they had to earn their grain by joining agricultural production. But these workers and their families often had lived in urban areas for a long time, and found they could not quickly adapt to the hard work of agriculture. So people used all kinds of means to avoid being laid off, and if they were, they tried hard to stay in the cities. Even some people threatened to commit suicide if the government sent them to rural places.²⁰²

This large-scale dismissal of urban employees and reduction of the urban workforce also had its problems. Many organizations no longer had strong young workers.²⁰³ At the same time, many urban laborers who lost their jobs and their families had to endure lower living standards than before. Furthermore, many youths from rural places lost the possibility of getting jobs in urban areas by studying and graduating from middle schools, for one important part of urban population reduction was to send those students and graduates back to rural places.²⁰⁴ We will find in following paragraphs that all these problems deeply impacted the labor employment in urban areas after 1963.

III. Urban society of Baoji city from 1958 to 1965

A. The urban employment in Baoji city during 1963-5

With the gradual economic recovery since 1963, the labor needs of all kinds of urban organizations increased again. But this time the CCP government was more

meticulous and careful. According to the directives of the government, the enterprises should first meet their labor needs by using existing abundant labor and raising the efficiency of labor use. If it was necessary to recruit new formal employees, the recruitment of new employees with urban and rural residency must be permitted and arranged by the provincial government and the provincial CCP committee respectively. With respect to collective enterprises, the government planned their labor employment as well, and permitted that only the laborers with urban residency could be eligible for hiring.²⁰⁵

At the same time, Liu Shaoqi 刘少奇 experimented in a flexible labor employment system that was called the “two labor-use systems 两种劳动体系”, and encouraged the enterprises to use more informal workers in production. The informal workers included three types: “contract workers 合同工” who worked in enterprises for a designated period according the contract made between them and the enterprises they served; “temporary workers 临时工” mainly used in those service and supportive posts of enterprises; and “fluctuating workers 轮换工” that targeted the young and strong labor of rural places who often worked in the most physically demanding productive posts of enterprises and often served for three years.²⁰⁶ To employ these informal workers in the short term, this meant the enterprises could rather flexibly and easily recruit or fire these young workers according to productive needs. And the wages and welfare for these workers were generally lower than formal workers, thus lessening much of the burden of their wages and welfares to these enterprises.

During this period, some special policies of urban employment were put into effect, and were very important because they decided who could get jobs when the urban unemployment problem was so serious. The first important policy was to recruit back the skilled workers who had been laid-off and many of them were sent to rural areas in the labor reduction. For example, the textile industry of Shaanxi province lost 8,254 skilled workers in labor reduction. In 1964, this industry (including the Shaanxi Twelfth Mill in Baoji city) started two special recruitments for those reduced skilled workers, and enrolled back about 6,000 “old” workers.²⁰⁷ The large-scale recruitment of reduced workers with certain working ages in Baoji city began in 1965, when the

construction of the “third front” was started, and the labor needs of all enterprises increased again.²⁰⁸ This recruitment of once fired skilled workers was obviously brought many people who were sent to rural places back to the urban areas.

Secondly, two new employment policies, the “children replacement 子女顶替” and the “recruitment from insider 内部招收 内招”, made the families of employees become a privileged group in employment. The “children replacement” policy meant that when one employee of one enterprise (not included those administrative organs and non-productive institutes) retired, one of his or her children automatically became the new worker of this enterprise. The “recruitment from insider” policy meant that when an enterprise was recruiting workers, it gave priority to the families (mainly the wives and grown-up children) of the employees of that enterprise. Often a special percentage of new workers were reserved for these people.²⁰⁹ Generally speaking, since the wives of employees were often unqualified for normal production, most of them were recruited as “temporary workers” who engaged in those service-type tasks. Another form of this “recruitment from insider” was also used in giving employees’ offspring easy admission into the skill-training schools of those large state-owned enterprises, because after graduation the students directly became new workers in related plants. The example was the skill-training school of Baocheng Meter Plant that operated during 1964-69. Every year when it enrolled new students, it always reserved certain quotas particularly for the children of its employees, while other students were selected by the Labor Bureau of Baoji Municipality from graduates of secondary schools in 23 cities and towns of Shaanxi province.²¹⁰

It was obvious that these employment policies had very strong feudalistic characteristics. Ideologically, enterprises and their employees all thought the privileges of employees who were dismissed and employees’ families in labor employment were perfectly natural. But these privileges of employees and their families were also the result of their bargaining with enterprises and governments. Take the recruitment of those workers of certain working ages in the textile enterprises of Shaanxi province as an example. At the very beginning government and the enterprises had no intention to enroll these “old” workers back. But when those

reduced workers found that their enterprises were recruiting new workers, many of them rushed back to their enterprises to ask for jobs. When their demands were refused, many of them went to related organs of the provincial government every day to press for satisfaction. Their reason was simple, because during the labor reduction, as a way of mobilization, enterprises and government made the promise to enroll back the employees who lost their jobs when the situation became better. This struggle seemed quite popular in the whole nation, and finally Premier Zhou Enlai made the directive of “winning trust from people 取信于民”, to command the enterprises to keep their promises and recruit the “old” workers as much as possible.²¹¹ Similarly, the “recruitment from insider” and “children replacement” were the compromises between workers and enterprises. The labor reduction made the enterprises full of older workers who eventually were not qualified for production needs. But these old workers were unwilling to retire, for their wage income was the only income that the whole family relied on when urban employment became more and more difficult for urban youth, and once they retired their pension were only about 40-79% of their wages. Faced with this dilemma, in order to encourage these old workers to retire, “children replacement” and “recruitment from insider” for their families were implemented in 1962 and 1963 respectively as the compromise solution.²¹²

During this period, in urban employment the street enterprises played a very important role in Baoji city, which made Baoji city became the model that used street industry to lower urban unemployment in the northwest region. Until July 1965, the street enterprises offered jobs to 2,594 people, while other kinds of enterprises employed only 3,739 urban laborers as formal and informal workers, leaving 4,600 unemployed.²¹³

B. The labor migration in Baoji city during 1958-65

During this period, the in-migration of skilled labor from old industrial plants in eastern China to Baoji city still continued. The newly established Lingyun and Fenghuo Machinery Plants of the Fourth Machine-tool Industry Plant received about 3,000 skilled workers, technicians and managers from Tianjin city.²¹⁴ This

in-migration was influenced little by the reduction of urban labor in Baoji city, because special orders were issued to prohibit sending them back.

What was different from the FFYP in this period was the huge tide of short-distance population movement between rural and urban areas. From 1958 to 1959, millions of job-seekers and their families flowed from rural to urban places because of the GLF.²¹⁵ But during 1961-63, almost all of these job-seekers and their families, even many urban population, went back into rural places. From then on, the migration from rural to urban areas almost ceased until the 1980s, with the exceptions of the recruitment of “old workers” who were sent down to rural places during the labor reduction, and the recruitment of the informal workers from the rural places and the transformation of them into formal urban workers at the beginning of the 1970s.

The disastrous result of the GLF also caused another population movement in Baoji city – refugees came from nearby provinces that experienced severe famine. In 1959, the Baoji Municipal Government found that Baoji city had more than 1,274 “blindly floating population 盲目流动人口” which flowed from Shandong 山东, Anhui 安徽, Henan 河南 where starvation was already prevalent.²¹⁶ We also mentioned that in 1961, about 13,000 refugees of Gansu Province where many people who were dying due to famine flowed into Baoji city and nearby counties again, with other refugees from Henan, Sichuan 四川, and so on.²¹⁷ Nationwide, according to the estimate of Li Ruojian, the GLF and then the economic crisis caused about 8 million to 10 million peasants to flee their homelands to save their lives.²¹⁸ Just like the situation of the FFYP, the Baoji Municipal Government did not welcome these refugees, because the government thought this movement not only created labor shortage in the places refugees came from, but also put a great burden on the food supply and social order in the destination areas. The government generally sent these refugees back. To those whose living areas were a disaster area, the government only permitted them to stay in Baoji city temporarily, and would send them back once the situation of their homelands became better.

There were still two other kinds of population migration. One interviewee Ms Zhang told me her husband, a temporary construction worker of Jiangsu province who

was mobilized by the government to go to Xi'ning 西宁 city of Qinghai Province for railroad construction, come to Baoji city with many of his workmates in 1960. It was not clear the real reason why they stayed in Baoji city. One possible reason might have been the relatively better situation in Guanzhong Plateau at that time, when Jiangsu province suffered heavily. Another possible reason might have been the new strategy that the CCP government proposed in the beginning of 1960s to develop the interior in view of the tense international relations. To keep these skilled workers in Baoji city could be seen as one way to store enough labor for the forthcoming construction of the "third front". Furthermore, in this period, sending urban youth to join the agricultural production in rural productive teams (chadui 插队), began on a small scale as a way to decrease the number of urban unemployed,²¹⁹ which finally was transformed into the large-scale "up to the mountains and down to the villages 上山下乡" that emerged in the 1970s. Because of the relatively small scale of these two kinds of migration and without enough sources, I will not discuss them too much here.

C. Social stratification in Baoji city during 1958-65

During 1958-1964, it seemed that no great changes had happened in the occupational structure of China. Although much of the government's attention was given to light industry and agriculture during 1961-65, the basic order of the work unit system formed since the 1950s did not change, because the differences among enterprises in material supply, labor use, wage systems, etc., were still continued in this period. Consequently, the work units with higher status in the work unit system still offered their employees higher incomes and better welfares than the work units with lower status. For example, the street industry that was on the bottom of the work unit system, even though it contributed much to urban employment and social relief for the urban poor. The employees of the street enterprises faced an inferior situation compared to other urban workers in all matters including economic income, working condition, social welfare, and social status.²²⁰ When in 1965 the street enterprises and the "service teams" were very welcome and made considerable profits and paid their workers more than workers in some state-owned enterprises managed by the

municipal government, the municipal government regarded it as a big mistake and reorganized these collective organizations. Many skilled workers of these organizations were transferred to collective handicrafts organizations, and the wage systems of these organizations were fixed at levels lower than in the public and collective enterprises.²²¹

Audrey Donnithorne argued that one consequence of the GLF was the equalization of social stratification because the wage gaps among enterprises of different economic sectors and administrative jurisdictions shrank. She argued that enterprise devolution and the administrative decentralization entitled the provincial governments to manage all labor and wage affairs of all enterprises in its administrative border, which meant that the provincial governments could balance and equalize the wage differences.²²² But in the case of Baoji city, no enterprises of the central ministries were devolved to the provincial government, and no sources showed that the provincial or municipal governments tried to reduce the wage differences between the same jobs of different enterprises. This reduction of wage differences might only have happened between the small state-owned enterprises managed by the municipal government and the collective enterprises (especially handicraft enterprises), because many of the latter were transformed into the former during the “big upgrade” in the handicrafts industry in the GLF. Many handicraftsmen became industrial workers and now could enjoy the same wages, social welfare, labor security, etc., as the state-owned enterprises managed by the municipal government. However, this situation did not last too long. During the downgrade of the newly upgraded state-owned enterprises to collective enterprises in 1959-1962, employees of downgraded enterprises disappointedly found that their standards of living dropped to original levels. In 1959, 1,912 workers in Baoji city experienced this, which accounted for 48.3% of the 3,839 workers of collective enterprise that upgraded to the state-owned enterprises.²²³ Some craftsmen in Baoji city thought the policy of retro-conversion was a retreat of communism, and also a shame to them.²²⁴

Schurmann pointed out the egalitarian change in the wage system in the Great Leap Forward. Individual rewards were replaced by collective rewards and piece-rate

systems were replaced by time wages, and public canteens also reduced the differences among people.²²⁵ This egalitarianism not only created contradictions between old and new workers as pointed out by Schurmann,²²⁶ but also seemed to have no influence on the stratification based on the work unit system. After 1960, unequal treatments between skilled and unskilled workers rose quickly when the government re-established remunerative incentives and decided skills and working experiences were the most important wage criterion.

The best examples of the social inequality based on the work unit system were the 3 pay increases in this period, which favored only some, not all, economic sectors and enterprises. The pay increase in 1959 included only some sectors of urban employees: 30% of workers and 10% of staff of industry, communication, capital construction; 5% of workers of agricultural industry, forestry industry, water conservancy, commerce, and food industry. Other organizations could not increase the wages of their employees. If necessary, only 1-2% of workers could improve their wages. The wage increase in 1961 concerned only the workers and cadres of the mineral and forestry industries. During this second pay increase, some employees of collective enterprises also received a raise, but at a lower rate than the employees of the state-owned enterprises. In 1963, state-owned enterprises won another chance to increase the wages of 40% of workers, the cadres below the 18th level, 25% of cadres between the 17th and 14th levels, and 5% of cadres between the 13th and 10th levels.²²⁷ The pay increase for state-owned enterprises in 1964 applied only to industrial workers who benefited little from the wage rise in 1963 and had a salary of around 60-70 yuan per month.²²⁸

The stability of the work unit system meant the newly in-migrated laborers from eastern China in the Lingyun and Fenghuo Machinery Plants still had higher social status in the social stratification based on the work unit system, the same as the status given to other large plants established in the FFYP. Their work unit identity also benefited their families due to the policies of “children replacement” and “recruitment from insider”. To employees of enterprises with lower status in the work unit system, and rural laborers who once worked in urban areas in the GLF, what they experienced

during 1958-65 was just a farce to them. And it was quite natural that people, especially the young, always looked forward to getting jobs in large and medium-sized, state-owned enterprises managed by the central ministries and provincial government, not those small ones of the municipal government or collectives. And it was common knowledge that many young workers in small state-owned enterprises of the municipal government and the collective enterprises always wanted to transfer to those large-size enterprises.²²⁹

Conclusion

With Baoji city as our vantage point, we have seen that many important economic policies of the CCP government in the FFYP still continued in 1958-64, even though some scholars assumed that great differences existed between these two periods. To construct the important projects of defense and heavy industry designed in the FFYP was still the central task of the central government in this period, and all these important projects were completed in the hard times of the early 1960s. As far as the method of industrial expansion is concerned, in Baoji city no matter the establishment of the large and modern plants, or the small and native ones built by municipal and district governments, all were dependent on support from old plants. And the in-migration of skilled labor from eastern China to Baoji city as one part of this method still continued. Furthermore, industrial development in Baoji city was still focused on heavy industry. Finally, the economic work unit hierarchy formed on the base of differences in material supply, labor use, etc., did not change.

What was different in the Great Leap Forward compared to the FFYP was the quick development of economic sub-sectors managed by the municipal government. In this development, the modern and large enterprises, as well as the handicraft enterprises and the newly established street enterprises, all played important and active roles in this economic upswing. Another great difference in this period was the large-scale administrative decentralization to the provincial government level, which could be seen as a measure that the CCP government used to maintain a high industrial growth rate. Thirdly, with this large industrial growth and the great need for

industrial labor, the original strict prohibitions on the labor flow from rural to urban areas were loosened, and many rural laborers became the new urban workers.

The pursuit of the high-rate industrialization resulted directly in very serious economic crises in all aspects in the early 1960s. Even though agricultural production and then the grain supply in Guanzhong Plateau were relatively better than the provinces around it, Baoji city still had to shut down many enterprises and send hundreds of thousands of new residents back to rural areas. But in this crisis, what was ironical was that even with the so-called emphasis on agriculture and light industry by the CCP government, in Baoji city the important projects of defense and heavy industrial plants still operated at full output, while many light industrial plants and street enterprises were shut down. Another problem of the GLF was the emergence of economic localism. Its illustration in Baoji city was the verticalization of the industrial production because new small plants served the needs of existing large plants. In response, the CCP government partly restored the centralized administrative system, and tried to find a middle way between the over-centralization and decentralization.

This great pendulum of the policies of the CCP during 1958-64 had some important and influential implications on the urban society of Baoji city. The social work unit system and the superior status of in-migrated skilled workers were still as stable as before, but jobs in the city became much more difficult to get than before due to the economic crisis. In order to encourage old workers to retire, the government agreed to the inter-generational transfer of the work unit identity through the policies of “children replacement” and “recruitment from insider”. This obviously created a preferential channel to enter the enterprises with better status in the work unit system for some special social groups, and harmed social equality. At the same time, the low standard of urban construction and planning and under-developed urban commerce and services forced the enterprises to function as the main suppliers of all kinds of welfare to their employees. All these gave the work unit system more important roles in urban social stratification.

Note

¹ As for the Chinese researches on the Great Leap Forward, see the review made by Xie Chuntao 谢春涛, “Dayuejin yanjiu shuping (Literature review on the ‘Great Leap Forward’”, *Dangdai Zhongguo Shi Yanjiu (The Research On Modern History Of China)*, No. 2 of 1995, pp. 25-34.

² For a good English review on the many attitudes toward and the explanations of the Great Leap Forward, see William Joseph, “The tragedy of good intentions: post-Mao’s view of the Great Leap Forward”, *Modern China*, No.4 of Vol. 12 (Oct., 1986), pp. 419-57.

³ Chao Kang, “Policies and performance in industry”, in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, p. 560.

⁴ Eckstein, *China’s Economic Development*, p. 12.

⁵ Ten relationships were: heavy, light industry and agriculture; coastal industry and inland industry; economic construction and defense; the state, the production unit, and the individual producer; the center and the localities; the Han race and ethnic minorities; the Party and the non-party; revolutionaries and counter-revolutionaries; “right” and “wrong”; foreign relations. Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, pp. 482-507; Schurmann, *Ideology And Organization In Communist China*, pp. 205, 224-5.

⁶ Schurmann, *Ideology And Organization In Communist China*, p. 101; Donnithorne, *China’s Economic System*, pp. 142, 200; Solinger, *Chinese Business Under Socialism*, p. 101; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, pp. 165, 168, 172-3.

⁷ The speech of Chen Yun on the Meeting of the Party Secretaries of Provinces in Jan. 27, 1957; Mao Zedong, ‘Gongzuo Fangfa Liushi Tiao (Sixty Working Methods) (Jan. 31, 1958)”; Zhonggong Gongchandang Zhongyang Zhengzhi Ju (The Central Polito-Bureau of the CCP), ‘Guanyu Fazhan Difang Gongye Wenti De Yijian (the recommendation of developing local industry) (Apr. 5, 1958)’, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 14, 147, 175; Bo Yibo, “Dabo Ban Gongye De Shenmi Guodian (break out the mysterious attitudes towards establishing industry)”, in *Hongqi (Red Flag)*, Quarter 3 (Jul. 1, 1958); Eckstein, *China’s Economic Development*, p. 18.

⁸ Victor Lippit, “The Great Leap Forward reconsideration”, *Modern China*, No. 1 of Vol. 1, (Jan., 1975), pp. 92-115.

⁹ Chao Kang, “Policies and performance in industry”, in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, pp. 556-57; Donnithorne, *China’s Economic System*, pp. 169, 226, 288-9.

¹⁰ Kjeld E. Brodsgaard, “Paradigmatic change: readjustment and reform in the Chinese economy, 1953-81”, *Modern China*, No. 1 of Vo. 9 (Jan. 1983), pp. 46-7; Evan A. Feigenbaum, “Soldiers, weapons and Chinese development strategy: The Mao era

military in China's economic and institutional debate", *The China Quarterly*, No. 158 (Jun. 1999), p. 289.

¹¹ Chao Kang, "Policies and performance in industry", in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, p. 560.

¹² Baojishi Dianzi Yibiao Gongye Zhi Bianxiezu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 17.

¹³ Baoji Archives, 1-4-60-2, below p. 13.

¹⁴ Schurmann, *Ideology And Organization In Communist China*, p. 224-5; Eckstein, *China's Economic Development*, p. 80; Thomas G Rawski, "China industrial system", in Joint Economic Committee of U.S. Congress (ed.), *China: A Reassessment Of The Economic* (Washington DC: U.S. Government Printing Office, 1975), p. 176; Lee, *Industrial Management And Economic Reform In China, 1949-1984*, p. 50.

¹⁵ Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yanjiu* (A Historical Study on Administrative Management Model of Contemporary China), (Beijing: Beijing shifan daxue chubanshe, 1999).

¹⁶ Guowuyuan, "Guanyu Gaijin Shangye Guanli Tizhi De Guiding (the regulation of improving commercial management institutions) (Sep. 16, 1957)", Baoji Archives, 1-4-60-2, pp. 16-7.

¹⁷ Donnithorne, *China's Economic System*, pp. 173-4 and 465.

¹⁸ Guowuyuan, "Guanyu Gaijin Gongye Guanli Tizhi De Guiding (the regulation of improving industrial management institutions) (Sept. 16, 1957)", Baoji Archives, 1-4-60-2, p. 22; Zhonggong Zhongyang and Guowuyuan, "Guanyu Gaijin Wuzi Fenpei Zhidu De Jixiang Guiding (several regulations on improving material allocation institution) (Sept. 24, 1958)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 195; Liu Suiyan (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 17-8; Donnithorne, *China's Economic System*, p. 465.

¹⁹ *Renmin Ribao*, Jun. 25, 1958; Zhongguo Zhongyang and Guowuyuan, "Guanyu Gongye Qiye Xiafang De Jixiang Jueding (several decisions on the devolution of industrial enterprises) (Apr. 11, 1958)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 180; Donnithorne, *China's Economic System*, p. 151.

²⁰ Zhonggong Zhongyang and Laodong Bu Dangwei, "Duiyu Dangqian Gongye Qiye Buchong Laodongli Wenti De Qingshi Baogao (the report of the now labor employment of industrial enterprises) (Jun. 29, 1958)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 206; Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, p. 80; Donnithorne, *China's Economic System*, pp. 177, 204, 463.

²¹ Detailed discussions see Donnithorne, *China's Economic System*, pp. 461-5, 472.

²² Mao Zedong, 'Gongzuo Fangfa Liushi Tiao (sixty articles of working methods) (Jan. 31, 1958)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 147; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 155.

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- ²³ Michel Oksenberg and James Tong, "The evolution of central-provincial fiscal relations in China, 1971-84", *The China Quarterly*, No. 125 (Mar. 1991), p. 6.
- ²⁴ Guowuyuan, "Guanyu Gaijin Caizheng Tizhi He Huafen Zhongyang Yu Difang Dui Caizheng Guanli Quanxian De Guiding (the regulation of improving financial institutions and dividing central-local administrative range of fiscal management) (Sept. 16, 1957)", Baoji Archives, 1-4-60-2, pp. 17-8.
- ²⁵ Guowuyuan, "Guanyu Difang Caizheng De Shouzhi Fanwei Shouru Xiangmu He Fencheng Bili Gaiwei Jiben Shang Guding Wu Nian Bubian De Tongzhi (the message of range, items and proportion of local fiscal revenue and expenditure, now turned into unchangeable in five years) (Apr. 11, 1958)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 181; Donnithorne, *China's Economic System*, pp. 369, and below p. 389.
- ²⁶ Zhonggong Zhongyang and Guowuyuan, "Guanyu Wujia Guanli Quanxian He Youguan Shangye Guanli Tizhi De Jixiang Guiding (several regulations of price management and commercial commerce management institution) (Apr. 11, 1958)"; "Guanyu Gaijin Jihua Guanli De Guiding (the regulation of improving planning management institution) (Aug. 28, 1958)"; "Guanyu Gaijin Jiben Jianshe Caiwu Guanli Zhidu De Jixiang Guiding (several regulations of improving financial affairs management of capital investment) (Jul. 5, 1958)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 85,147, 195. Donnithorne, *China's Economic System*, pp. 473-6. Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, p. 80.
- ²⁷ Donnithorne, *China's Economic System*, pp. 151-2, 178, 455, 463.
- ²⁸ Schurmann, Ideology And Organization In Communist China, p. 175.
- ²⁹ Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, p. 332.
- ³⁰ Donnithorne, *China's Economic System*, p. 156-7.
- ³¹ Schurmann, Ideology And Organization In Communist China, pp. 212, 224-5.
- ³² Huadong Zhongyang Ju (The Central Bureau of the East of China), "Guanyu Quxio Dangwei Fenguan Shuji Mingyi De Yijian (the suggestion of cancellation of special secretary of Party committee) (Jul. 10, 1962)" (confirmed by Zhonggong Zhongyang), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 723; Donnithorne, *China's Economic System*, pp. 156-7;
- ³³ Donnithorne, *China's Economic System*, p. 464.
- ³⁴ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 25.
- ³⁵ "Shiying Difang Gongye Dayuejing De Xuyao, Wosheng Chengli Sige Diqu Gongye Ju (our province established four Prefecture Industry Bureau for the need of the GLF of the local industry)", *Shaanxi Ribao*, Feb. 11, 1958.
- ³⁶ Schurmann, Ideology And Organization In Communist China, p. 55.
- ³⁷ Baojishi Renmin Weiyuanhui (The People's Committee of Baoji Municipality),

³⁷ “Guanyu Benhui Jigou Shezhi Wenti De Tongzhi (the issue of the organizational establishment of this committee) (Sep. 26 of 1961)”, Baoji Archives, 25-1-27-1, p. 1; Baojishi Di’er Qingongye Ju (ed.), *Baojishi Di’er Qingongye Zhi*, p. 83.

³⁸ Baojishi Renmin Weiyuanhui (The People’s Committee of Baoji Municipality), “Guanyu Benhui Jigou Shezhi Wenti De Tongzhi (the issue of the organizational establishment of this committee) (Sep. 26, 1961)”, Baoji Archives, 25-1-27-1, p. 1; Baojishi Di’er Qingongye Ju (ed.), *Baojishi Di’er Qingongye Zhi*, p. 83; Baojishi Gongshangye Zhe Zuzhi Zhi Bianxiezu (ed.), *Baojishi Gongshangye Zhe Zuzhi Zhi*, p. 72.

³⁹ Baojishi Di’er Qingongye Ju (ed.), *Baojishi Di’er Qingongye Zhi*, pp. 208-9.

⁴⁰ Baojishi Renmin Weiyuanhui Gongye Ju (The Industry Bureau of the People’s Committee of Baoji Municipality), “Shaanxisheng Gongye Ting Guanyu Gaibian Xi’an Shimian Zhipin Chang Deng Jige Chang De Lingdao Guanxi, Xi Ji Banli Jiaojie Shouxu De Tongzhi (the notice of Industry Department of Shaanxi Province changing the administrative jurisdiction of several enterprises) (Feb. 7, 1958)”, Baoji Archives, 37-2-16-33, p. 156;

⁴¹ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), Chap. 14, p. 39.

⁴² Baojishi Renmin Weiyuanhui Gongye Ju, “Shaanxisheng Gongye Ting Xibei Fangzhi Guanli Ju Guanyu Gaibian Bensheng Difang Fangzhi Gongye De Lingdao Guanxi, Xi Ji Banli Jiaojie Shouxu De Tongzhi (the notice of the Industry Department of Shaanxi Province and the Northwest Textile Management Bureau to change the administrative jurisdiction of textile enterprises in Shaanxi province) (Mar. 30, 1958)”, Baoji Archives, 37-2-16-34, p. 158.

⁴³ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), chap. 14, p. 39.

⁴⁴ “Baojishi 1957 Nian Caizheng Shouzhi Juesuan He 1958 Nian Caizheng Shouzhi Yusuan Baogao (the report of the final accounting of revenue and expenditure in 1957 and the budget in 1958 of Baoji Municipality)”; “Baojishi 1958 Nian Caizheng Shouzhi Juesuan He 1959 Nian Caizheng Shouzhi Yusuan Baogao”, *Baoji Bao*, Jun. 1, 1958; Sep. 23, 1959.

⁴⁵ Zhonggong Zhongyang, “Guanyu Chengshi Renmin Gongshe Wenti De Pishi (the approval of urban People’s Communes) (Mar. 9, 1960)”; “Beijing Shiwei Guanyu Chengshi Renmin Gongshe Gongzuo Wenti De Baogao (the report from Beijing Committee of CCP about the working problems of urban People’s Communes) (May. 11, 1960)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 723; Donnithorne, *China’s Economic System*, Vol. 2, p. 431, 467.

⁴⁶ Editorial, “Huanhu Woshi Shixian Chengshi Renmin Gongshe Hua (Cheers for the establishment of urban People’s Commune in Baoji city)”, *Baoji Bao*, May. 30, 1960.

⁴⁷ Baojishi Chengshi Jianshe Ju, “Guanyu Baojishi Zongti Guihua Xiugai De Jidian Shuoming (1959)”, Baoji Urban Construction Archives, 90-3-c2-2.

⁴⁸ Ibid.

⁴⁹ Baoji Chengshi Jianshe Ju, “Baojishi Guihua Fang'an Yanjiu Shuoming (May 1957)”, Baoji Urban Construction Archives, 90-3-C2-1, pp. 3-4.

⁵⁰ Li Ping'an (et al.), Baixianshi Jingji Shehui Diaocha: Baoji Juan, p. 241.

⁵¹ Baocheng Yibiao Chang Changzhi Bianxiezu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 160.

⁵² The example was the Fenghuo Machinery Plant. Baojishi Dianzi Yibiao Gongye Zhi Bianxiezu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 22.

⁵³ Ibid., pp. 21-31; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 528-9.

⁵⁴ Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, p. 273; Baojishi Diji Qingongye Ju (ed.), *Baojishi Diji Qingongye Zhi*, p. 107; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, pp. 168-70; Baoji Xiaofang Qicai Zongchang (Baoji Fire-fighting Equipment General Plant) (ed.), *Xiaofangche Gongye Shiliao: 1966-1990 (Historical Records Of The Fire Engine Industry)* (Baoji: 1990, unpublished), p. 2.

⁵⁵ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, p. 88.

⁵⁶ “Baojishi Daibiao Zai Shaanxisheng Renmin Daibiao Dahui Di'er Jie Diji Ci Huiyi Shang De Fayan: Baoji Ban Difang Gongye De Jidian Tihui (the speech of delegate of Baoji Municipality in The First Meeting of Second Session of Shaanxi Congress: the experiences of the development of local industry in Baoji Municipality”, *Shaanxi Ribao*, Aug. 3, 1958; Lu Peng (The Mayor of Baoji Municipality), “Shaanxisheng Baojishi Renmin Weiyuanhui Gongzuo Baogao (the Working Report of People's Committee of Baoji Municipality)”, *Baoji Bao*, Sep. 26, 1959.

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⁵⁹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, p. 88; Baojishi Dianzi Yibiao Gongye Zhi Bianxiezu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 30.

⁶⁰ Baoji Xiaofang Qicai Zongchang (ed.), *Xiaofangche Gongye Shiliao*, p. 9.

⁶¹ Eckstein, *China's Economic Development*, pp. 18, 81-82; Andrew Walder, "Some ironies of Maoist legacy in industry", in Mark Seldon and Victor Lippit (ed.), *The Transition To Socialism In China* (Armonk, N.Y.: Sharpe, 1982), pp. 219-20; Lee, *Industrial Management and Economic Reform In China*, p. 60; Schurmann, *Ideology And Organization In Communist China*, p. 101; Donnithorne, *China's Economic System*, pp. 142, 200; Solinger, *Chinese Business Under Socialism*, p. 101; Vermeer, *Economic Development In Provincial China*, pp. 60-1.

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manu of the urban planning of Baoji city) (Oct, 1958)", in Baoji Urban Construction Archives, 90-3-C2-21, p. 3; Zhongguo Gongchandang Baojishi Weiyuanhui, "Baojishi Renmin 1959 Nian Fendou Mubiao Er'shiwu Tiao (twenty-five items that people in Baoji Municipality should struggle to complete in 1959)", *Baoji Bao*, Feb. 8, 1959.

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⁷² Donnithorne, *China's Economic System*, p. 229.

⁷³ Freund, *Forging Ahead*, p. 23.

⁷⁴ Editorial: "Gaohao Woshi Shehui Fuli Shengchan He Minban Gongye (to well develop the industry for social relief and established by masses)", Xue Zhenxun, "Woshi Shehui Fuli He Minban Gongye Dahuo Shuoguo (the great achievement of social relief production and street industry)", *Baoji Bao*, Dec. 10, 1958.

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⁷⁷ Donnithorne, *China's Economic System*, p. 159. The description of the high rate of the industrial accident can see from Ma Wenrui, *Ma Wenrui Huiyilu*, p. 191.

⁷⁸ "Shougongye She Zhuanchang Yao Zhuyi Naxie Wenti (what issues should be emphasized during the transformation of handicraft cooperatives into industrial plants)?", *Baoji Bao*, Jun. 23, 1958

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⁸¹ Donnithorne, *China's Economic System*, p. 184.

⁸² Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, p. 69.

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⁸⁴ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 161.

⁸⁵ Baojishi Laodong Ju (ed.), *Baojishi Laodong Zhi*, p. 4; Baojishi Shangye Ju (ed.), *Baojishi Shangye Zhi*, p. 371.

⁸⁶ See the related reports in *Baoji Bao*: “Yanjing Xiangxia, Mianxiang Qunzhong: Cong Gexin Jishu Rushou Jiejue Shebei Jishu Kunnan (looking downward and facing masses: to renovate technology to solve the difficulties in equipment and technology)”, Jul. 16, 1958; Editorial, “Kao Shenme Wancheng Jihua (what we should count on to complete production plans)?” Sep. 16, 1958; “Mianfeng Jiexie Chang Kefu Shebei Kunnan (the Flour Machine Plant overcame the problem of lacking equipment)”, Jul. 6, 1958; “Woshi Shougongye Yao Da Nao Jishu Geming, Jin Nian 70% Tu Jixiehua, Min Nian Yao Jiben Jixiehua (our handicraft industry should initiate technological revolution to mechanize 70% of equipment this year and basically all in next year)”, Jul. 19, 1958; “Ziji Wuzhuang Ziji, Kaizhan Qunzhong Yundong, 8 Ge Shougongye Changshe Yuexiang Jixiehua (to arm self and launch mass campaign, 8 handicraft plants and cooperative leaped toward mechanization)”, Aug. 23, 1958; “Yong Qianbai Tai Tu Jichuang Wuzhuang, Jishuai Shengzhang, Shiwei Kaihui Jiancha Bushu Quanshi Da Zao Tu Jichuang Renwu (the machinery takes command by armed with thousands and hundreds native machine-tools, the CCP committee of Baoji Municipality held meeting to inspect and plan the task of producing native machine-tools)”, Dec. 12, 1958, and so on.

⁸⁷ “Fangshou Shiyong Peiyang Tigao Tugong, Mianfen Jiqichang Xinsheng Jishu Liliang Xunsu Shengzhang (to bravely use, train and promote apprentice: the quick increase of new technical forces in the Flour Machine Plant)”, “Zhuanye Peiyang He Yeyu Peiyang Bingju, Jiaoyu Bumen Peiyang He Shengchan Bumen Peiyang Bingju (to do professional training and afterhours training together, to do the training by educational agency and by production agency together)”, *Baoji Bao*, Jan. 28, 1959; Mar. 2, 1960.

⁸⁸ “Shuangfan (fanbaoshou fanlangfei) Zihua Jiechu Fengshou Zhi Guo, Baoji Deng Di Xuduo Gongchang Quanmian Dayuejin (the flower of ‘double-anti’ (anti-conservatism and anti-waste) campaign is blossoming: many industrial enterprises of Baoji and other areas leap forward in all aspects)”, *Shaanxi Ribao*, Apr. 5, 1958. And the reports in *Baoji Bao*: Editorial, “Kao Shenme Wancheng Jihua?” Sep. 16, 1958;

“Chongfen Fahui Ren De Zhuguan Nengdongxing: Cong Xinqin Fangzhichang Fadong Qunzhong Wajue Yuanlaio Qianli Tanqi (fully use people's subjective initiation: a discussion of Xinqin Mill mobilized masses to utilize potential materials)”, Mar. 14, 1959; “Guohao Cailiao Guan (to overcome the problems of material supply)”, Feb. 4, Apr. 14, 1959; “Baocheng Yibiaochang Zhigong Er'yue Tichu 15,600 Duo Jian Helihua Jianyi, Dify Jidu Tiqian 30 Tian Wancheng Suoyou Shengchan Renwu (employees of the Baocheng Meter Plant proposed more than 15,600 rational suggestions in early Feburary, and finished all production targets of the first quarter ahead 30 days)”, Feb. 15, 1960; “Xiang Jixiehua Ban Jixiehua He Zidonghua Da Jinjun: Shiwei He Shi Renwei Zhaokai Gongye Jijian Jiaotong Caimao Xitong Jishu Gexin He Jishu Geming Dangyuan Guangbo Dahui (marching towards mechanization, semi-mechanization and automation: the CCP committee and People's Committee of Baoji Municipality held the broadcasting meeting to mobilize technological renovation and revolution in industry, construction, communication, trade and commerce system)”, Mar. 1, 1960; and so on.

⁸⁹ Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, p. 18.

⁹⁰ Baojishi Renmin Weiyuanhui Gongye Ju, “Guanyu Shiqu Suoshu Gongye De Zhengdun Yu Guihua (the adjustment and planning of industry in Baoji city) (Apr. 1, 1959)”, in Baoji Archives, 37-2-22-7, p. 69-71.

⁹¹ Ibid., p. 69.

⁹² “Zhua Sixiang, Zhua Cailiao, Zhua Dangqian, Gu Chuangyuan: Baojishi Dali Huifu He Fazhan Shougongye Shengchan (grasp thought, materials, and current production for future: the Baoji Municipal Government recover and develop handicraft production with great efforts)”, *Shaanxi Ribao*, Jul. 31, 1959; Fang Zhongru 方仲如 (The vice secretary of the CCP Committee of Shaanxi Province), “Wei Cujin Gongye Shengchan Dayuejin Er Fendou (to struggle for the promotion of the Great Lear Forward)” (Jan. 20, 1958); Zhonggong Shaanxi Shengwei Di'er Jie Di Shi'er Ci Huiyi, “Shaanxisheng Shougongye Huifu He Fazhan De Qingkuang (Aug. 21, 1959)”, in Baoji Archives, 1-4-108-2, p.10; 1-4-131-10, pp. 45-47. The description of the national situation, see Donnithorne, *China's Economic System*, p. 231.

⁹³ Guojia Jihua Weiyuanhui Laodong Ju (the Labor Bureau of the Planning Commission of the central government), “Guanyu 1958 Nian Laodong Gongzi De Jiben Qingkuang He 1959 Nian Laodong Gongzi De Anpai Yijian De Baogao (the report of basic situation of labor and wages in 1958 and the plan of labor and wages in 1959) (May 27, 1959)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 336.

⁹⁴ Wu Chunjie, '60 Niandai Chu Chengshi Zhigong He Jiaoshao Chengzhen Renkou Kaikuang (the reduction of urban employees and urban in the early 1960s)”, in *Baoji Wenshi Ziliao*, Vol. 10 (1993), p. 63.

⁹⁵ Donnithorne, *China's Economic System*, p. 183.

⁹⁶ Guojia Jihua Weiyuanhui Laodong Ju, “Guanyu 1958 Nian Laodong Gongzi De

Jiben Qingkuang He 1959 Nian Laodong Gongzi De Anpai Yijian De Baogao (May. 27, 1959)", Zhonggong Zhongyang, "Guanyu Dali Jinsuo Shehui Goumaili He Zai Qunzhong Zhong Jieshi Dangqian Jingji Qingkuang De Jinji Zhishi (the urgent directive of reducing the consuming capacity with great efforts and explaining current economic situation to masses) (Jun. 1, 1959)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 336-7.

⁹⁷ Donnithorne, *China's Economic System*, p. 183.

⁹⁸ Lyons, *Economic Integration And Planning In Maoist China*, pp. 3-4, 234.

⁹⁹ *Ibid.*, p. 11.

¹⁰⁰ Vermeer, *Economic Development in Provincial China*, pp. 421-2; Liu Suinian (et al.), *Dangdai Zhongguo De Wuzi Liutong*, p. 18.

¹⁰¹ Chen Yun's report about the reform of state administrative institution in The Third Session of the Eighth Plenum of CCP in September 24 of 1957, and Zhonggong Zhongyang, "Guanyu Zai Fazhan Zhongyang Gongye He Fazhan Difang Gongye Tongshi Bingju Fazhen Xia Youguan Xiezuo He Pingheng De Jixiang Jueding (some regulations of the inter-regional coordination and balance based on the policy of developing central and local industry concurrently) (Apr. 5, 1958)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 105, 174; Donnithorne, *China's Economic System*, p. 464.

¹⁰² Zhongyang Caijing Xiaozu (The Central Financial and Economic Group), "Guanyu Quanguo Gedi Huobi Hui long Qingkuang De Ziliao (the sources about the currency withdrawal from the national circulation) (May. 28, 1962)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 703.

¹⁰³ Donnithorne, *China's Economic System*, pp. 287-8.

¹⁰⁴ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), chap. 14, p. 98.

¹⁰⁵ Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, p. 121.

¹⁰⁶ Wu Chunjie, '60 Niandai Chu Chengshi Zhigong He Jiaoshao Chengzhen Renkou Kaikuang", in *Baoji Wenshi Ziliao*, Vol. 10 (1993), p. 63.

¹⁰⁷ The relatively objective assessment on the roles of bad weather and government's policies in this crisis, see Chen Donglin, "Cong Zaihai Jingjixue Jiaodu Dui Sannian Ziran Zaihai Shiqi De Kaocha (An investigation of 'the Three Years of Natural Disaster' from the viewpoint of disaster economics)", *Dangdai Zhongguoshi Yanjiu (Contemporary China History Studies)*, No. 1 of Vol. 11 (Jan. 2004), pp. 83-95.

¹⁰⁸ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha*: Baoji Juan, p. 200.

¹⁰⁹ Kjeld E. Brodsgaard, "Paradigmatic change: readjustment and reform in the Chinese economy, 1953-81", *Modern China*, No. 1 of Vol. 9 (Jan. 1983), p. 50.

¹¹⁰ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 176; Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, p. 121. Donnithorne argued that the abuse of wage and bonus and labor was common from 1958 onward, Donnithorne, *China's Economic System*, pp. 216-7.

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- ¹¹¹ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi*(1991), Chap. 14, p. 98.
- ¹¹² Zhonggong Baoji Shiwei Bangongshi (The Office of the CCP Committee of Baoji Municipality), “Guanyu Zhigong Shiji Shenghuo Shuiping Xiajiang Diaocha Baogao (the survey of the drop of real living standard of various employees) (Dec. 30, 1961; Sep. 29, 1962)”, in Baoji Archives, 27-1-131-2, pp. 87-90; 27-1-131-4, pp. 114-5.
- ¹¹³ Vermeer, *Economic Development in Provincial China*, p. 108; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 170; Zhu Chuzhu (et al.), *Zhongguo Renkou: Shaanxi Fence* (China's Population: Shaanxi Province) (Beijing: Zhongguo Caijing Chubanshe, 1988), p. 97.
- ¹¹⁴ “Quandang Quanmin Jinji Dongyuan, Zhansheng Ganhan (to immediately mobilize the Party and masses to struggle with the drought)”; “Shengwei Shengrenwei Fabu Zhishi Haozhao Quandang Quanmin Liji Dongyuan Qilai Ba Fanghan Kanghan Wei Zhongxin De Chunji Shengchan Yundong Tuixiang Gaochao (The CCP Committee and People’s Committee of Shaanxi province issued directive to mobilize the Party and masses to push foward into culmination the production in spring that center on the anti-drought)”, *Baoji Bao*, Feb. 16, 1960; Mar. 4, 1961; Vermeer, *Economic Development in Provincial China*, p. 109.
- ¹¹⁵ Baoji Shiwei Zhengfa Dangzu Xiaozu (The Political and Legal Group of the CCP Committee of Baoji Municipality), “Guanyu Xunsu Tuoshan Anzhi He Chuli Gansusheng Liuru Woshi Jingnei Renkou De Yijian (the suggestions to rapidly and properly arrange the floating population from Gansu Province in our Municipality) (Jan. 13, 1961)”, in Baoji Archives, 1-4-163-7, p. 40.
- ¹¹⁶ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 559.
- ¹¹⁷ See the speech of Liu Shaoqi in the Eighteenth Top Meeting of State Affair (Beijing, Mar. 21, 1962), Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 641, 667.
- ¹¹⁸ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 562.
- ¹¹⁹ Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, pp. 318-321; Hu Shudong, *Jingji Fazhanzhong De Zhongyang He Difang Guanxi: Zhongguo Caizheng Zhidu Bianqian Yanjiu*, pp. 77-8; Donnithorne, *China's Economic System*, below p. 309; Frazier, *The Making Of The Chinese Industrial Workplace*, p. 216; Schurmann, *Ideology And Organization In Communist China*, p. 177.
- ¹²⁰ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 654.
- ¹²¹ Donnithorne, *China's Economic System*, p. 467-8; Liu Suinian (et al.), *Dangdai Zhongguo De Wuzi Liutong*, p. 432.
- ¹²² Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, p. 321.
- ¹²³ Baojishi Renmin Weiyuanhui, “Guanyu Benhui Jigou Shezhi Wenti De Tongzhi (the message of the organizational establishment of this Committee) (Sep. 26, 1961)”, in Baoji Archives, 25-1-27-1, p. 1. Fourteen fields were: economic planning and management, industry and communication, finance, bank, commerce, grain, handicraft

industry, labor management, agriculture in suburb, public health, education and culture, civil security, civil affairs.

¹²⁴ Schurmann, *Ideology and Organization in Communist China*, p. 192; Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, p. 333.

¹²⁵ Zhonggong Zhongyang, “Guanyu Xibeiju Kaishi Bangong He Zan Buzhu Baodao De Xiaoxi (the message that the Northwest Bureau started its operation and did not Report it temporarily) (Nov. 16, 1961)”, in Baoji Archives, 1-4-140-27.

¹²⁶ Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, pp. 321-2.

¹²⁷ Schurmann, *Ideology and Organization in Communist China*, p. 177, 304-5;

¹²⁸ Caizhengbu Dangzu (The CCP Committee of the Financial Ministry), “Guanyu Gaijin Caizheng Tizhi He Jiaqiang Caizheng Guanli De Baogao (the report about the improvement of fiscal system and the strengthening of financial management) (Jan. 15, 1961)” (approved by the Central Committee of the CCP), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 560.

¹²⁹ Caizheng Bu and Renmin Yinhang, “Guanyu Guoying Qiye Liudong Zijin Gai You Renmin Yinhang Tongyi Guanli De Guiding (the decision to transfer the management of the flowing funds of state-owned enterprises to the People’s Bank) (Jan. 10, 1959); Guowuyuan, “Guanyu Gaijin Jiben Jianshe Caiwu Guanli Zhidu De Jixiang Buchong Guiding (several complimentary regulations about the improvement of financial management of capital investment) (May. 20, 1959)”; Guojia Jihua Weiyuanhui, “Guanyu Jiaqiang Jiben Jianshe Guanli Wenti De Baogao (the report about the tight management of capital construction) (May. 31, 1962)” (confirmed by the Central Committee of the CCP), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 286, 333, 705.

¹³⁰ Donnithorne, *China’s Economic System*, p. 393; Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, pp. 318-321; Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, p. 131.

¹³¹ Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, pp. 318-321.

¹³² Guowuyuan, “Guanyu Nong Fu Chanpin Shipin Xuchanpin Sichou Deng Shangpin Fenji Guanli Banfa De Guiding (the regulation of the classification and the management of agricultural goods, foods, livestock products, silk products, and so on) (Nov. 19, 1958)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 264.

¹³³ Guojia Jihua Weiyuanhui, Jingji Weiyuanhui, and Zhonggong Zhongyang, “Guanyu Shichang Qingkuang He Qinggongye Shengchan Wenti De Baogao (the report about market and the production problem of light industry) (Feb. 24, 1959)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 304.

¹³⁴ Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, pp.

318-321.

¹³⁵ Donnithorne, *China's Economic System*, p. 309.

¹³⁶ Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 22-3; Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, pp. 318-321..

¹³⁷ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), Chap. 14, p. 133.

¹³⁸ "Gongxu Zhijie Jianmian, Jiaqiang Jishu Hezuo, Quanguo Gongye Bumen Fenpi Jianli Qiyejian Guding Xiezuo Guanxi (supplier and demander directly deal with each other and improve the technical cooperation: the central industrial ministries establish fixed inter-enterprise cooperative relations group by group)", *Baoji Bao*, Sep. 6, 1962; "Quanguo Gongye Bumen Zhengzai Jiaqiang Jingji Xiezuo (all national industrial sectors are strengthening the economic coordination with each other)", *Renmin Ribao*, Apr. 2, 1963; Guojia Jingji Weiyuanhui Dangzu, "Guanyu Dangqian Wuzi Guanli Gongzuo Shang Fen'gong Yijian De Qingshi Baogao (the report and suggestion of the functional divisions of current material management) (Feb. 7, 1961)", in Baoji Archives, 1-4-165-4, p. 25; Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, p. 24, 308-9.

¹³⁹ It was named the General Material Management Bureau of the Economic Commission of the central government 国家经委物资管理总局 in 1960, and then transformed to the independent National Material Management Ministry 国家物资管理总局 in 1963 and then Material Management Ministry 物资管理部. In 1961, the product sale organs of eight Ministries (coal industry, petroleum industry, chemistry industry, light industry, construction materials industry and so on) were returned to these ministries by the Material Ministry. The material and product supply to defense industry by the Material Ministry was the responsibility of one special branch of Material Ministry. See Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 27-9, 432; Guojia Jingji Weiyuanhui Dangzu, "Guanyu Dangqian Wuzi Guanli Gongzuo Shang Fen'gong Yijian De Qingshi Baogao (Feb. 7, 1961)", in Baoji Archives, 1-4-165-4, p. 25. The Material Bureau of Baoji Prefecture was established in 1963, see Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), Chap. 14, p. 129.

¹⁴⁰ Guojia Jingji Weiyuanhui Dangzu, "Guanyu Dangqian Wuzi Guanli Gongzuo Shang Fengong Yijian De Qingshi Baogao (Feb. 7, 1961)", in Baoji Archives, 1-4-165-4, p. 24; Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, p. 318-321.

¹⁴¹ Shangye Bu and Guowuyuan, "Guanyu Zhuji Zhaokai Wuzi Jiaoliu Hui, Jinyibu Zuohao Chengxiang Wuzi Jiaoliu De Baogao (the report about opening material exchanging meetings by all administrative levels in order to improve the rural-urban material exchange) (Mar. 18, 1959)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 314.

¹⁴² Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 27-9, and below p. 230; Donnithorne, *China's Economic System*, p. 277, 308.

¹⁴³ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 139.

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- ¹⁴⁴ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 310.
- ¹⁴⁵ Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, p. 432.
- ¹⁴⁶ Qinggongye Bu Dangzu (The Party Group of the Light Industry Ministry), “Guanyu Gaijin Difang Qinggongye Guanli Tizhi De Baogao (the report about improving the management of local light industry) (Nov. 7, 1962) (approved by the Central Committee of the CCP)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 765.
- ¹⁴⁷ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 562.
- ¹⁴⁸ Yang Guanqiong, *Dangdai Zhongguo Xingzheng Guanli Moshi Yange Yanjiu*, pp. 318-321.
- ¹⁴⁹ The Working Meeting of the Central Committee of the CCP in Bedaihe (Jul. 5 to Aug. 10, 1960), and Zhonggong Zhongyang (the Central Committee of the CCP), “Guanyu Tiaozheng Guanli Tizhi De Ruogan Zanxing Guiding (the temporary regulations on administrative adjustment) (Jan. 19, 1961)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 562; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), Chap. 14, p. 40.
- ¹⁵⁰ Zhonggong Zhongyang, “Guanyu Quandang Dongshou, Daban Nngyem Daban Liangshi De Zhishi (the directive to mobilize the whole Party to develop agriculture and grain) (Aug. 10, 1960)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 500, 559; “Quanguo Gongye Jiaotong Huiyi Genju Dang De Ba Jie Shiju Zhong Quanhui Yaoqiu Queding Dangqian Renwu, Jianjue Wanshan De Ba Gongye Gongzuo Zhuandao Yi Nongye Wei Jichu De Guidao Shang Lai (according to the Eighth Plenum of the Tenth Central Committee of the CCP, the National Industry and Communication Conference issued to make clear current task is to shift the focus of industrial work to serve agriculture)”, *Baoji Bao*, Jan. 5, 1963; Chao Kang, “Policies and performance in industry”, in Eckstein (et al.) (eds.), *Economic Trends In Communist China*, pp. 556-57; Eckstein, *China's Economic Development*, p. 21.
- ¹⁵¹ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, p. 1231; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), Chap. 14, p. 99.
- ¹⁵² Zhonggong Zhongyang, “Guanyu Nongcun Dangqian Zhengce Wenti De Jinji Zhishi (the urgent directive letter about current policy problems in rural People's Communes) (Nov. 3, 1960)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 534. The analysis of this “sixty articles” see Kjeld E. Brodsgaard, “Paradigmatic change: readjustment and reform in the Chinese economy, 1953-81”, *Modern China*, No. 1 of Vol. 9 (Jan. 1983), pp. 54-6.
- ¹⁵³ Zhonggong Zhongyang and Guojia Jihua Weiyuanhui Dangwei (the Party Committee of the Planning Commission of the central government), “Guanyu 1961 Nian Guomin Jingji Jihua Kongzhi Shuzi De Baogao (the report of controlling the numbers of national economic plan of 1961) (Sep. 30, 1960)”; and the revised 1961

plan of national capital investment made by The Planning Commission; the Working Meeting of the Standing Committee of the Political Bureau of the Central Committee of the CCP, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 522, 574, 694.

¹⁵⁴ “Zhengque Zhixing Dang De Zhengce, Jiji Fazhan Shougongye Shengchan (correctly operate Party’s policy, actively develop handicrafts)”, *Renmin Ribao*, Mar. 2, 1962; Zhonggong Zhongyang, “Guanyu Chongxin Jianli Shougongye Guanli Jigou De Zhongyao Zhishi (the important directive to re-establish handicraft management organs) (Jun. 12, 1959)”; Quanguo Shougongye Lianshe Dangzu (the Party Group of the General Cooperative Association of the National Handicraft Industry), “Guanyu Tiaozheng Shougongye Duiwu, Gonggu Shougongye Hezuo De Baogao (the report about the adjustment handicraft organizations for the consolidation of handicraft co-operations) (Oct. 20, 1962)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 339, 345, 660, 760.

¹⁵⁵ “Yiqie Qiye Dou Yao Jianli He Jianquan Zeren Zhidu (all enterprises should establish and improve responsibility system)”, *Renmin Ribao*, Feb. 22, 1961.

¹⁵⁶ Schurmann, Ideology and Organization in Communist China, p. 398.

¹⁵⁷ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi*(1991), chap. 14, p. 88.

¹⁵⁸ Baojishi Laodong Ju (The Labor Bureau of Baoji Municipality), “Guanyu Tiaozheng Laoli Jingjian Renyuan De Fang’an Baogao (the plan and report about labor adjustment and reduction) (Jul. 21, 1959)”, in Baoji Archives, 29-2-31-4, pp. 37-38; Wu Chunjie, ’60 Niandai Chu Chengshi Zhigong He Jianshao Chengzhen Renkou Kaikuang”, in *Baoji Wenshi Ziliao*, Vol. 10 (1993), pp. 69-70.

¹⁵⁹ “Shi Nongye Jixie Gongye Xitong Zhigong Ganxiu Ganzao Nongju Quanli Zhiyuan Xiashou (the workers of the machinery industry served agriculture devoted to the repair and production of agricultural tools to support summer harvest)”, May. 18, 1961; “Guanche 8 Zi Fangzhen, Dali Zhiyuan Nongye, Qumian Woqu Difang Gongye Xingshi Hao (thoroughly implement ‘eight words’ policy to support agriculture with great efforts, last year the situation of local industry in Baoji Prefecture was good)”, *Baoji Bao*, Jan. 1, 1963.

¹⁶⁰ Guojia Jihua Weiyuanhui, “Guanyu Chuli 1961 Nian Yiqian Caizheng Yiliu Went De Baogao (the report of the resolution of the unsolved financial problems of 1961) (Dec. 20, 1962) (approved by the Central Committee of the CCP)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 778.

¹⁶¹ “Tigao Zhiliang, Renren Youze (everybody had the responsibility to improve product quality)”; “Cong Xinzhong Youdi, Gege Mubiao Mingque: Shi Dongli Chang Jianli Shengchan Ding’e Guanli Zhidu (know by self and have clear target: the Baoji Engine Plant establish production quota management institution)”; “Jiaqiang Jiaoyu, Mingque Zhize, Zhichi Guli: Shiyou Jixie Chang Chongfen Fahui Jishu Renyuan De Zuoyong (strengthen education, make clear the responsibility, support and encourage

with each other: the First Machinery Plant of Petroleum Industry fully used the potentials of technicians and research staff”; “Baojishi Gongjiao Xitong Kaizhan Wuhalo Qiye Jingzheng (the enterprises of industry and communication in Baoji Municipality launched the ‘five good’(less waste 能耗少, less cost 成本低, better quality 质量好, more categories 品种多, higher productivity 劳动生产率高) competition)”, *Baoji Bao*, Jun. 20, 1961; Aug. 10, 1961; Mar. 3, 1962; Sep. 20, 1962, and so on.

¹⁶² “Jixu Gaoju Jishu Gexin He Jishu Geming Hongqi, Baoji Gongcheng Jixie Zhizao Chang Chanpin Zhiliang Buduan Tigao (keep rising high the red flag of technology renovation and revolution: the continuous improvement of product quality of the Baoji Engineering Machinery Plant)”; Editorial, “Jixu Jianchi Kaizhan Qunzhong Xing De Jishu Gexin Yundong (insist the mass campaign of technology renovation and revolution)”; Hui Guoqing (the head of The Second Industry Bureau of Baoji Municipality), “Nuli Tigao Qinggongye Chanpin Zhiliang (to improve the product quality of light industry at our best)”, *Baoji Bao*, Mar. 26; May. 6, 1961, and so on.

¹⁶³ Wu Chunjie, ’60 Niandai Chu Chengshi Zhigong He Jianshao Chengzhen Renkou Kaikuang”, in *Baoji Wenshi Ziliao*, Vol. 10 (1993), p 69-70.

¹⁶⁴ Zhonggong Zhongyang, “Guanyu Chengxiang Shougongye Ruogan Zhengce Went De Guiding (the regulation about urban and rural handicraft industry) (Jun. 19, 1961)”, in Baoji Archives, 1-4-165-12, pp. 73-74.

¹⁶⁵ “Xuxin Xue Shanghai, Fafen Gan Xianjin: Baoji Qimenzui Chang Jiaozhu Gongren Shanghai Qujing Ji (humbly learn from Shanghai and hardly catch up to with the advanced: the workers of the Baoji Valve Inside Plant (the Baoji Meter Plant) learned skills and experiences from Shanghai)”; “Quanguo Xue Shanghai Shanghai Xue Quanguo (the whole nation should learn from Shanghai, and Shanghai should learn from other places)”, *Shaanxi Ribao*, Nov. 30; Dec. 10, 1963.

¹⁶⁶ “Baojishi Shougongye Shengchan Yipai Xin Qixiang (the new outlook of handicraft production in Baoji Municipality)”, *Baoji Bao*, Jan. 11, 1962; Baojishi Di’er Qingongye Ju (ed.), *Baojishi Di’er Qingongye Zhi*, p. 71.

¹⁶⁷ Zhang Jichun, “Zai Gaige Zhong Jueqi: Jintaiqu Jie Xiang Qiye Fazhan Qingkuang Jianshu (the ascendance in reform: a outline of street industrial development of Jintai District)”, in *Jintai Wenshi Ziliao*, Vol. 7 (1991), pp. 9-10; Baojishi Di’er Qingongye Ju (ed.), *Baojishi Di’er Qingongye Zhi*, p. 83.

¹⁶⁸ From 1962 on, these street enterprises were in the charge of the District governments. Baojishi Di’er Qingongye Ju (ed.), *Baojishi Di’er Qingongye Zhi*, p. 83.

¹⁶⁹ Baojishi Laodong Ju (ed.), *Baojishi Laodong Zhi*, p. 4.

¹⁷⁰ “Guanyu Jiedao Gongye De Yixie Went: Zhonggong Baoji Shiwei 1965 Nian Xingban Jiedao Gongye Jianyao Zongjie (some problems of street industry: a draft conclusion of the establishment of street industry by the CCP Committee of Baoji Municipality in 1965)”, *Jintai Wenshi Ziliao*, Vol. 7 (1991), pp. 183-4, 187.

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- ¹⁷¹ Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, p. 83.
- ¹⁷² “Guanyu Jiedao Gongye De Yixie Wentí”, *Jintai Wenshi Ziliao*, Vol. 7 (1991), pp. 183-4.
- ¹⁷³ Zhonggong Zhongyang, “Guanyu Chengxiang Shougongye Ruogan Zhengce Wenti De Guiding (the regulation about policies of urban and rural handicraft industry) (Jun. 19, 1961)”, in Baoji Archives, 1-4-165-12, pp. 71-76.
- ¹⁷⁴ “Guanyu Jiedao Gongye De Yixie Wentí”, *Jintai Wenshi Ziliao*, Vol. 7 (1991), pp. 187-193.
- ¹⁷⁵ Baojishi Tongji Ju (The Statistic Bureau of Baoji Municipality), “Baojishi Shougongye Tongji NianBao Biao (the yearly report of handicraft industry in Baoji Municipality) (Feb. 2, 1962)”, in Baoji Archives, 27-1-90-2, pp. 81-83.
- ¹⁷⁶ Zhonggong Zhongyang Xibei Ju (The Northwest Bureau of the Central Committee of the CCP), “Guanyu Jinyibu Jiaqiang Difang Dangwei Dui Junshi Gongzuo Lingdao De Zhishi (the directive to strengthen the leadership of local CCP Committee on the military affairs) (Jun. 12, 1962)”, in Baoji Archives, 1-4-182-3, pp. 9-10.
- ¹⁷⁷ Baocheng Yibiao Chang Changzhi Bianxiezhu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 18.
- ¹⁷⁸ The revised 1961 plan of capital investment made by the Planning Commission of the central government; “Guanyu Guofang Gongye Bumen 1961 Nian Jiben Jianshe Jihua Anpai De Baogao (the report about the 1961 plan of capital investment on national defense industry)” (approved by the Central Committee of the CCP in Apr. 9, 1961); Zhonggong Zhongyang, “Guanyu 1963 Nian Jiben Jianshe Jihua Cao'an (the draft of capital construction in 1963) (Jan. 3, 1963)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 574, 577, 789.
- ¹⁷⁹ Junshi Weiyuanhui Guofang Gongye Weiyuanhui (The National Defense Industry Committee of The Military Committee), “Guofang Gongye Gongzuo Gangyao (the outline of national defense industry in 1961) (Jan. 20, 1961)”, in Baoji Archives, 1-4-165-15; Guojia Jihua Weiyuanhui and Guowuyuan Guofang Gongye Ban'gongshi, “Guanyu 1964 Nian Guofang Gongye Shengchan Jihua De Baogao (the report about the production plan of defense industry in 1964)” (approved by Central Committee of CCP in Feb. 14 of 1964), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 898.
- ¹⁸⁰ Yang Zhengmin, “Guanyu Shengwei Jiben Jianshe Gongzuo Zuotanhui De Baogao (the report about the Meeting of Capital Construction Works of the CCP Committee of Shaanxi) (approved by the CCP Committee of Shaanxi in Jun. 6, 1961)”, in Baoji Archives, 1-4-165-17, p. 134.
- ¹⁸¹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 73-4.
- ¹⁸² Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, pp. 21-31.

¹⁸³ Baoji Xiaofang Qicai Zongchang (ed.), *Xiaofangche Gongye Shiliao*, p. 9.

¹⁸⁴ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 181.

¹⁸⁵ Zhonggong Zhongyang, “Guanyu Dali Jinsuo Shehui Jituan Goumaili De Zhishi (the directive of shrinking the purchasing capacity of social groups with great efforts) (Aug. 5, 1960)”; Zhonggong Zhongyang and Shangye Bu, “Guanyu 1960 Nian Mianbu Dingliang Gongying De Baogao (the report of rationing of cloth supply in 1960) (May. 7, 1960)”; Zhonggong Zhongyang, “Guanyu Jiangdi Chengxiang Liangshi Dingliang Biaozhun De Zhishi (the directive of reducing the criterion of rationing grain in rural and urban areas)”; “Guanyu Yasuo Shiyou Xiaoliang He Jiaqiang Youzhi Shougou De Zhishi (the directive to reduce the sale and strengthen the purchase of oil)” (Sep. 7, 22, 1960), etc., in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 499, 504, 511, 518, 555.

¹⁸⁶ Qinggongye Bu, “Guanyu Jinji Anpai Riyongping Shenchan De Baogao (the report of urgently arranging production for daily-use products) (Jan. 7, 1961)” (confirmed by Central Committee of the CCP), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 466.

¹⁸⁷ Ma Wenrui, *Ma Wenrui Huiyilu*, p. 191.

¹⁸⁸ Wu Chunjie, ’60 Niandai Chu Chengshi Zhigong He Jianshao Chengzhen Renkou Kaikuang”, *Baoji Wenshi Ziliao*, Vol. 10 (1993), pp. 69-70.

¹⁸⁹ Ma Wenrui, *Ma Wenrui Huiyilu*, p. 208; Zhonggong Zhongyang Ganbu Jingjian He Laodongli Anpai Wuren Xiaozu (The Five People Group of Reducing Cadres and Arranging Labor of the Central Committee of the CCP), “Guanyu Tiaozheng Nongcun Laodongli He Jingjian Xiafang Zhigong Wenti De Baogao (the report about the adjustment of rural labor and the reduction of employees (Apr. 9, 1961)”; Zhonggong Zhongyang, “Guanyu 1962 Nian Shang Bannian Jixu Jianshao Chengzhen Renkou 7 Baiwan De Jueding (the decision to further reduce 7 million urban residents in the first half of 1962)(Feb. 14, 1962)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, pp. 577, 651.

¹⁹⁰ Zhonggong Zhongyang and Guowuyuan, “Guanyu Jin Yibu Jingjian Zhigong He Jianshao Chengzhen Renkou De Jueding (the decision of the further reduction of employees and urban residents) (May. 27, 1962)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 702.

¹⁹¹ Zhonggong Shaanxi Shengwei (The CCP Committee of Shaanxi Province), “Guanyu Jixu Jingjian Zhigong He Jianshao Chengzhen Renkou De Zhishi (the directive to go on reducing urban workers and staff and urban population) (Jul. 13, 1962)”; Zhonghua Quanguo Shougongye Hezuo Zongshe, “Guanyu Chengzhen Shougongye Hezuo Zuzhi Tiaozheng Jingjian Gongzuo De Jidian Yijian (the suggestions of adjusting and reducing urban handcraft cooperative organizations) (Jul. 13, 1962)”, in Baoji Archives, 1-4-193-1, 27; Guojia Jihua Weiyuanhui, “Guanyu 1963

Nian Guomin Jingji Jihua (Cao'an) De Baogao (the report of national economic plan (draft) in 1963) (Jan. 18, 1963)" (approved by the Central Committee of the CCP), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 792.

¹⁹² Chengzhen Renkou Jingjian Xiaozu (The Group of Urban Resident Reduction), "Guanyu Jingjian Renwu Wancheng Qingkuang He Jiesu Jingjian Gongzuo De Yijian De Baogao (the report of fulfillment of reduction task and the suggestion to finish reduction) (Jul. 31, 1963)" (approved by the Central Committee of the CCP)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 837.

¹⁹³ Wu Chunjie, "60 Niandai Chu Chengshi Zhigong He Jiaoshao Chengzhen Renkou Kaikuang", *Baoji Wenshi Ziliao*, Vol. 10 (1993), p. 67.

¹⁹⁴ Baojishi Laodong Ju, "Guanyu Tiaozhen Laoli Jingjian Renyuan De Fang'an Baogao (the report of the scheme of adjusting labor and reducing urban residents) (Jul. 21, 1959)", in Baoji Archives, 29-2-31-4, p. 34.

¹⁹⁵ Zhongguo Shaanxi Shengwei Jingjian Xiaozu (The Population Reduction Group of the CCP Committee of Shaanxi Province), "Guanyu Quansheng Guojia Jiguan Shiye Qiye Jingjian He Renyuan Chuli Yijian De Baogao (the report about how to deal with reduced labor in administrative organs, institutes, and enterprises)" (approved by the CCP Committee of Shaanxi Province on Nov. 10 of 1960)", in Baoji Archives, 1-4-140-21, pp. 61-62; Zhonggong Shaanxi Shengwei, "Guanyu Jixu Jingjian Zhigong He Jianshao Chengzhen Renkou De Zhishi (the directive to continuously reduce urban employees and urban population) (Jul. 13, 1962)", in Baoji Archives, 1-4-193-1, p. 3.

¹⁹⁶ "Zhiyuan Nongye Diyixian Daban Liangshi Quanshi 4 Wan 4 Qian Duoming Zhigong Xiafang Nongcun (44,000 workers went down to rural areas to support the first front of agriculture and put all efforts on grain production)", *Baoji Bao*, Apr. 16, 1961; "Daban Nongye, Daban Liangshi, Jianshe Shehuizhuyi Xin Nongcun: Woshi Jin Wanming Xuesheng Huixiang Canjia Nongye Shengchan (to put all efforts on agriculture and grain production and build new socialist rural places, almost 10,000 students of our municipality went back to rural areas to participate agricultural production)", Jun. 26, 1961; "Qu Jianshe Xin Nongcun! Dao Nongcun Qu Duanlian! Quanshi 5 Qian Duoming Yingjie Biyesheng Benfu Nongye Diyixian (Go to construct new rural areas! Go to exercise self in rural places! 5,000 graduates went to the first front of agricultural production)", Sep. 8, 1961.

¹⁹⁷ Wu Chunjie, "60 Niandai Chu Chengshi Zhigong He Jiaoshao Chengzhen Renkou Kaikuang", *Baoji Wenshi Ziliao*, Vol. 10 (1993), p. 67-8.

¹⁹⁸ Baojishi Laodong Ju, "Guanyu Tiaozhen Laoli Jingjian Renyuan De Fang'an Baogao (Jul. 21, 1959)", in Baoji Archives, 29-2-31-4, p. 35.

¹⁹⁹ Zhongguo Shaanxi Shengwei Jingjian Xiaozu, "Guanyu Chongshen Jingjian Huixiang Chengzhen Zhigong Bixu Shixian Yu Yuanji Lianxi De Tongzhi (the reclaimed message to reduce workers with urban household registration must contact the government of workers' native place first) (Oct. 12, 1962)", in Baoji Archives,

- ²⁰⁰ Zhonggong Baoji Shiwei Jingjian Bangongshi (The Population Reduction Office of The CCP Committee of Baoji Municipality), “Guanyu Tielu Xitong Zai Woshi Xuexiao Qingkuang De Diaocha Baogao (the survey and report about the schools of the Railroad Ministry in our city) (Aug. 24, 1960)”, in Baoji Archives, 16-2-6-16, pp. 36-38.
- ²⁰¹ Baojishi Laodong Ju, “Zhongyang Qiye Jingjian Renyuan Gongzuo Jinzhan Qingkuang He Cunzai Wenti De Qingshi Baogao (the report about progress and problems of labor reduction of the enterprises of the central ministries) (Aug. 29, 1959)”, in Baoji Archives, 29-2-31-5, p. 42.
- ²⁰² Zhonggong Baoji Shiwei Jingjian Ban'gongshi, *Jingjian Gongzuo Qingkuang Jianbao (The Bulletin of Population Reduction)*, No. 8 (Apr. 25, 1962), No. 26, in Baoji Archives, 16-2-9-9, 16.
- ²⁰³ Guojia Jingji Weiyuanhui Dangwei, “Guanyu Zhongyang Ju Jingwei Zhuren Huiyi Qingkuang De Baogao (the meeting report of chief-man of central bureau economic commissioners) (Sep. 28, 1962)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 750.
- ²⁰⁴ See the content of Jingjian Zhigong He Anzhi Qingnian Xuesheng Gongzuo Huiyi (the Meeting of the Employee Reduction and the Employment of Urban Youths and Students) that was held by the Zhongyang Anzhi Xiaozu (the Central Arrangement Group) (from June to July in 1963), in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 2, p. 832.
- ²⁰⁵ Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, pp. 208-9.
- ²⁰⁶ Donnithorne, *China's Economic System*, p. 187.
- ²⁰⁷ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, pp. 529-530.
- ²⁰⁸ See the documents in Baoji Archives, 29-2-76.
- ²⁰⁹ Baojishi Laodong Ju, “Guanyu Tiaozhen Laoli Jingjian Renyuan De Fang'an Baogao (Jul. 21, 1959)”, in Baoji Archives, 29-2-31-4, pp. 37-38; and the documents of Baoji Archives, 29-2-64, 29-2-76; He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p.134.
- ²¹⁰ Baocheng Yibiao Chang Changzhi Bianxiezu, *Baocheng Yibiao Chang Changzhi*, p. 261.
- ²¹¹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Fangzhi Gongye Zhi*, pp. 529-530.
- ²¹² He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p.134.
- ²¹³ Baojishi Laodong Ju, “Guanyu Qu Chengli Laodong Guanlishi Jiaqiang Shehui Xiansan Laodongli Guanli Gongzuo De Baogao (the report of the establishment of the Labor Management Office by District to strengthen the management of sparing labor) (Jan. 21, 1964)”; “Guanyu Woshi Jinnian Shangbannian Laodong Gongzuo Qingkuang De Baogao (the report about the labor condition in the first half year of 1965) (Jul. 30,

1965)", in Baoji Archives, 29-2-66-1, p. 1; 29-2-74-1, p. 1.

²¹⁴ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, p. 88.

²¹⁵ "Jiji Dongyuan Zhigong Jiashu Huixiang Shengchan (to actively mobilize employee's families to go back to their homeland for production); "Xibei Rongxiao Deng Danwei 3,000 Duo Zhigong Jiashu Huixiang Shengchan Bufen Danwei Zhijin Reng Wei Jian Dongjing (more than 3,000 employees' families of the Northwest Rongxiao School and other work units went back to homeland for production, some work units still had no actions)", Baoji Bao, Jan. 9; Apr. 13, 1958.

²¹⁶ Wu Chunjie, '60 Niandai Chu Chengshi Zhigong He Jianshao Chengzhen Renkou Kaikuang", *Baoji Wenshi Ziliao*, Vol. 10 (1993), p 67.

²¹⁷ Baoji Shiwei Zhengfa Dangzu Xiaozu, "Guanyu Xunsu Anzhi He Chuli Gansusheng Liuru Woshi Jingnei Renkou De Yijian (Jan. 13 of 1961)", in Baoji Archives, 1-4-163-7, p. 40.

²¹⁸ Li Ruojian, "Dayuejin Yu Kunnan Shiqi Renkou Qianyi Chubu Tantao (A primary discussion on the population migration during the GLF and the hard times)", *Zhongshan Daxue Xuebao (The Journal of Zhongshan University)*, No. 1 of 1999, p. 75.

²¹⁹ Baojishi Laodong Ju, "Guanyu Chengshi Xiansan Laodongli Anzhi Guanli Qingkuang (the situation of the arrangement and management of urban redundant labor) (Feb. 21, 1964)", in Baoji Archives, 29-2-66-2, p. 12.

²²⁰ "Guanyu Jiedao Gongye De Yixie Wenti", *Jintai Wenshi Ziliao*, Vol. 7 (1991), p. 187.

²²¹ Baojishi Zhengdun Fuwudui Lingdao Xiaozu Bangongshi (The Office of Leading Group of the Reorganization of Service Teams in Baoji Municipality), "Guanyu Zhengdun Fuwudui Zongjie Baogao (the conclusive report of the reorganization of service teams) (Jul. 19, 1965)"; Baojishi Laodong Ju, "Guanyu Woshi Jinnian Shangbannian Laodong Gongzuo Qingkuang De Baogao (Jul. 30, 1965)"; "Guanyu Jianfa Laodong Fuwudui Ganbu Duiyuan Gongzi Biaozhun De Tongzhi (the message of the inspection on wage standards for the members and cadres of service teams) (Dec. 27, 1965)", in Baoji Archives, 29-2-74-1, 3, 6, p. 1, 23, 57.

²²² Donnithorne, *China's Economic System*, p. 204.

²²³ Baojishi Laodong Ju, "Guanyu Jingjian Renyuan Gongzuo Jinzhan Qingkuang De Baogao (the report about the progress of labor reduction) (Oct., 1959)", in Baoji Archives, 29-2-31-11, p. 63.

²²⁴ "Zhua Sixiang, Zhua Cailiao, Zhua Dangqian, Gu Changyuan: Baojishi Dali Huifu He Fazhan Shougongye Shengchan", *Shaanxi Ribao*, Jul. 31, 1959. The national trend could be seen from Donnithorne, *China's Economic System*, p. 231.

²²⁵ Schurmann, Ideology and Organization in Communist China, p. 101.

²²⁶ Ibid., p. 95.

²²⁷ Yan Zhongqin (et al), *Dangdai Zhongguo De zhigong Gongzi Fuli He Shehui Baoxian*, p. 84.

²²⁸ Donnithorne, *China's Economic System*, p. 208.

²⁹ "Mianfen Jiqi Chang Xinsheng Liliang Xunsu Chengzhang", *Baoji Bao*, Jan. 28, 1959; Editorial: "Yici Hen You Jiaoyu Yiyi De Taolun (a instructive discussion)", *Renmin Ribao*, Jun. 28, 1963.

Chapter Four. Baoji city from 1965 to 1976: the third front and the Cultural Revolution

Introduction

As noted previously in the literature review, scholars viewed the CCP's strategy during the 1960s and 1970s differently. The seemingly radical policies of the Cultural Revolution 文化大革命 made many scholars believe that the CCP government had adopted an economic strategy quite different from the FFYP and the GLF. It was said that this new strategy emphasized agriculture and developed "five small industries" that supported agriculture and were adaptive to local conditions.

However, according to Chinese sources emerging after the 1980s, and as Perry Naughton pointed out, that one fundamental, if not the most important, part of the CCP's strategy during this period was the construction of the defense and heavy industry in the interior, which was called the construction of the "third front 三线" of China (We will come to the full origin and meaning of this term momentarily). New sources not only substantiated the basic ideas of Naughton, but also revealed some new facts. Firstly, this construction of the "third front" was a national campaign, because even coastal regions and provinces also engaged in building their own small "third fronts". Secondly, the duration of this construction was also much longer than Naughton thought. The strategic thinking of the "third front" did not originate from Lin Biao's speech in 1962, but in the decision of the central government in 1961 to rearrange the national industrial distribution when the coastal regions were thought to be under threat. And although this construction started to fade after 1972, it still continued on a large scale, especially with the construction of the small "third fronts". Even in 1975, Mao Zedong issued the directive "prepare for war", and it became the principle of production for the second half of 1975, and was the theme of "The Meeting of Important Enterprises of National Defense Industry 全国防工业重点企业会议" during July-August 1975.¹ The radical changes of the CCP's economic strategy

were made only after 1976 when Mao died and new CCP leaders with a more favorable attitude towards international relations seized power.

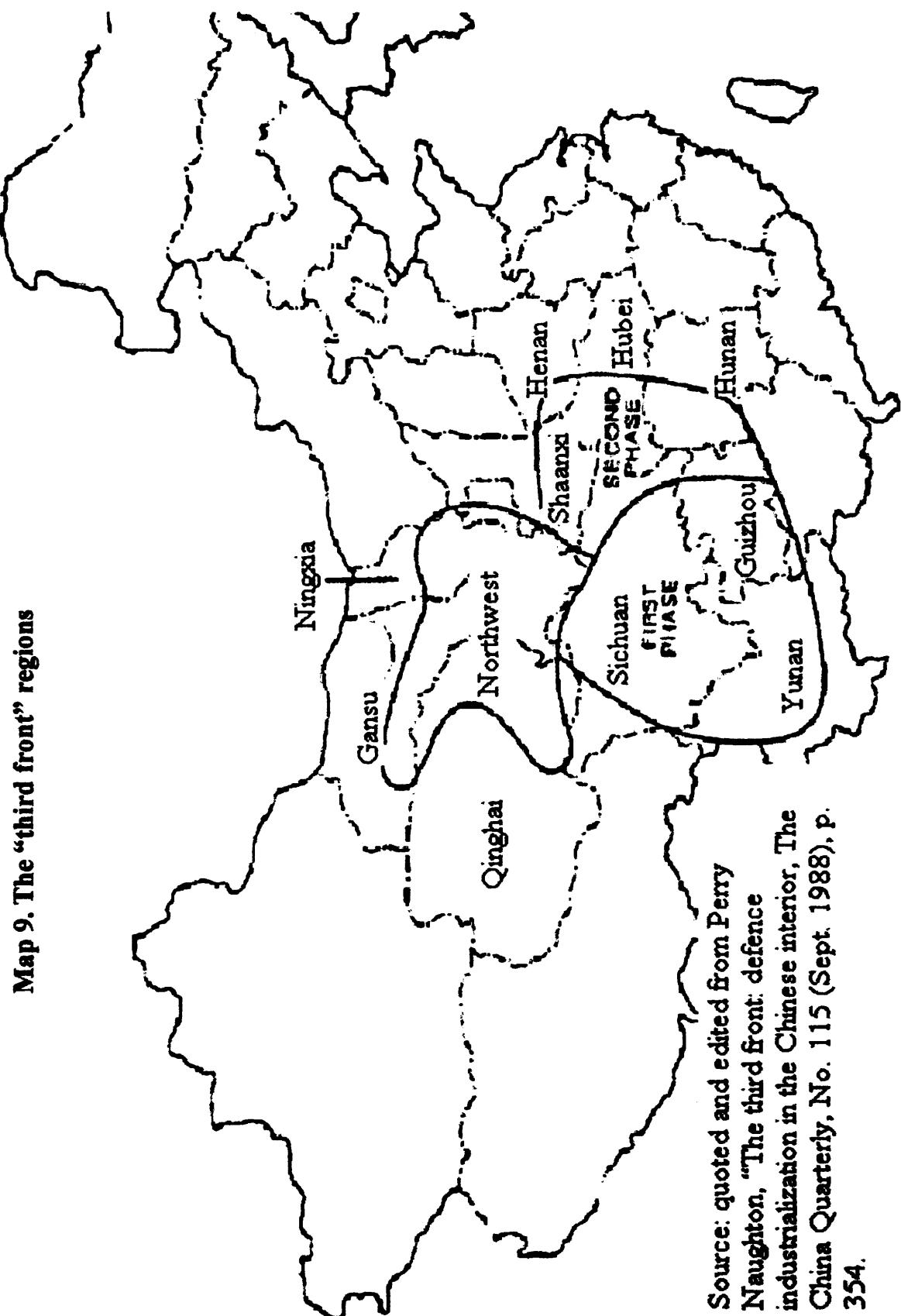
I. The ‘third front’ and Baoji city from 1965 to 1969

From the previous sections, we know that in 1961 the PRC found itself encircled by all kinds of enemies: Jiang Jieshi’s army had begun to attack southern coastal areas, China battled with India on the borders of Tibet in 1962, the US escalated the Vietnam War to the south, Sino-Soviet relations worsened in the open dispute between two Parties.²

Among these enemies that China confronted, Mao Zedong regarded that the most dangerous threats came from the US, and believed the war between China and the US was inevitable. With this belief, Mao thought it was urgent for the CCP government to develop and keep enough defense industrial capacity for the worst situation. Mao directed that the CCP government must develop the national “third front” (certain areas in the northwest and southwest) into a strategic base in defense and heavy industries and agriculture as fast as possible. Furthermore, Mao commanded that all the regions and provinces should try their best to establish relatively entire defense and heavy industrial systems in their small “third front”.³

As a military-geographic term, the “third front” referred to relatively secure areas serving as the military hinterland when the enemy (the USA) attacked China from the eastern direction. The areas for the national “third front” were a little different to the “interior” of the FFYP on the west side of the Beijing-Guangzhou Railroad. This national “third front” included most parts or all parts of seven provinces (Shaanxi, Gansu, Ningxia 宁夏, Qinghai, Sichuan, Yunnan, Guizhou 贵州 Provinces) of the northwestern and southwestern regions, and the western areas of Henan, Shanxi, Hubei and Hunan 湖南 provinces (see Map 10). Correspondingly, the coastal provinces comprised the “first front”, and the provinces between the “first” and the “third fronts” belonged to the “second front”. According to Perry Naughton, Jean-Claude Berthelemy, and Saadet Deger, the central areas of this national ‘third front’ were the mountainous areas of Shaanxi, Sichuan and Guizhou provinces. Even

though this central area of the “third front” did not include all the cities of the Guanzhong Plateau of Shaanxi, local sources showed that Xi'an and Baoji city still received many important industrial plants and research institutions that were tied to the military this period.⁴



At the same time, all provinces in the “first”, “second” and “third” fronts – including prefecture and municipalities – had their own small “third fronts” that were not mentioned by Naughton.⁵ For example, the “third front” of Shanghai Municipality were the mountainous areas in south Anhui 安徽 Province and west Zhejiang 浙江 Province.⁶ Baoji Municipality also had its hinterland – the mountainous areas on the north of Baoji Prefecture. Generally, the national “third front” mainly developed advanced and strategic armaments, while the small “third front” of provinces produced conventional weapons.⁷

Studies of the “third front” all agreed that the year 1969 – when the armed conflict between China and the Soviet Union broke out along the Northeast border – was the watershed of the construction of the ‘third front’. The first wave began from the end of 1964, reached a climax in 1965-6 and then slowed down afterwards. The second wave was initiated at the end of 1969, reached its climax during 1971-2 and lasted until the latter part of the 1970s. At the same time, the two phases had different characteristics. Before 1969, it was the central government and the national “third front” that dominated the construction of the defense industry. But after 1969 when the central government divided China into 10 “economic coordinated regions 经济协作区” to establish 10 independent industrial system for armament production in 1970-2, the role of the small “third front” became more and more important.⁸ Although to draw a clear line between the two phases is difficult because the construction of the regional and provincial “third front” had already started before 1969, this periodical division is useful to observe the dynamic process of the ‘third front’, the shift of the CCP’s strategy, and its influences on China.

A. The new strategy and the administrative preparation during 1965-69

The initiation of the large-scale construction of the “third front” at the end of 1964 signaled a change in the industrial policy of the CCP government. In August Mao Zedong and the CCP Central Committee decided the construction of the ‘third front’ would become the working focus of all levels of governments, instead of applying the cautious guideline of “adjustment, consolidation, strengthening, and

improvement” for balanced economic development. The Third Five-Year Plan (1965-1970) was totally revised, and centered first on the defense and heavy industry, and then on the supportive agriculture and basic industry (producing productive materials). Accordingly, the importance of different economic sectors changed from agriculture first, light industry second and finally the heavy industry, to heavy industry first, light industry second, and then agriculture.⁹ Among 1,475 important large and medium-sized projects of the Third Five-Year Plan, over two-thirds of them (383 defense projects, 686 heavy industry projects, and 156 projects related to communication and transportation) were strategic ones. Of the total capital investment in Shaanxi province during 1965-78, 22.6% of it was spent on the defense industry and semi-defensive machinery industry, 36.6% on supportive basic industry, transportation, and communication.¹⁰

The construction of the “third front” was also a regional policy. By and large, in the northwestern region the central government planned to establish aerospace (missile), aviation, electronic, optical, machinery and normal armament industries, and in the southwest were aerospace, battleship, normal armament industries, and three important railroads. In contrast, the government minimized new projects in the coastal regions as much as possible.¹¹ Accordingly, the central government decided to use 45% of its national capital investment (248.9 billion yuan) and 47.7% of the national industrial investment (76.76 billion yuan) on the areas of the national “third front” during 1965-76. And, 87.7% of the capital investment and 87.4% of the industrial investment on the national “third front” were spent on 8 key provinces.¹² As one important area of the national ‘third front’, Shaanxi province’s capital investment jumped from about 470 million yuan every year from 1953-64 to 1.3 billion yuan every year from 1965-78.¹³ Because the southern areas of Baoji Prefecture became important bases for the defense industry, the capital investment in Baoji Prefecture also jumped to more than 100 million yuan every year from 1965 onwards, even higher than its level in the Great Leap Forward. In 1965, Baoji Prefecture increased its share in capital investment of Shaanxi province to 20.5% (161 million yuan).¹⁴

With this new economic strategy, from 1965 onward the central government readjusted the administrative system again. Different from the explanation of Michel Oksenberg and James Tong that this readjustment was the result of the turbulence of the Cultural Revolution,¹⁵ I agree with Sun Dongsheng who sees this readjustment as the means that the CCP government used to realize its new industrial and regional policies – the construction of the “third front”.¹⁶ This time, the administrative adjustments were intertwined with the trends of decentralization and centralization, especially the latter.

Firstly, special leading agencies on three levels of government (the State Council, the Northwest and Southwest Bureaus of the Central Committee, and province) were established according to vertical rule to manage the construction of the national “third front”. The central government established a special planning organ that was under the direct leadership of Premier Zhou Enlai to deal with the affairs of the “third front”, whose works could not be interfered with by other Vice Premiers and governmental organs. A functional division between important organs of the central government was reinstated to guarantee the construction of the “third front”. The Construction Commission 国家建设委员会 was re-established to control the relocation of important projects from the “first” and “second” fronts into the “third front”. The Planning Commission was responsible for the construction of new and expanded projects in the “third front”, and the Economic Commission managed the material supply for the construction of the national “third front”. At the level of the southwest and northwest regions, special leading organs – “headquarters 指挥部” – were established that were composed of leaders of the Regional Bureaus of the CCP Central Committee, heads of the central ministries, provincial governments, and the army.¹⁷ At and below the level of the province, all related governmental organs and enterprises established similar leading groups. The Construction Commission of the Third Front 三线建设委员会 of the Northwest Bureau of the CCP Central Committee and of Shaanxi province were established and located in Xi'an city in January and April 1966.¹⁸ The counterpart organs at the level of Baoji Prefectural Government were the Office of Interior Construction and the Industrial Construction Offices of the Economic Commission of

Baoji Prefecture (these two merged into the Industrial Coordinating Commission 工业协作配套委员会 in 1966).¹⁹

In order to support the construction of important projects of the “third front” in Baoji Prefecture, in 1966 the Baoji Municipal Government was upgraded from a county-level government under the leadership of the Baoji Prefecture to a prefecture-level government under the direct leadership of the provincial government, along with the Hanzhong and Tongchuan Municipal Governments. This administrative change was initially proposed by the leaders of Baoji Prefectural Government (such as the Secretary of the CCP of the Baoji Prefecture, Zhang Fanghai 张方海) in late 1964. These leaders found that the large-scale construction of the third front in the counties and Baoji municipality of Baoji Prefecture put heavy pressure on the prefectural government that mainly managed agricultural affairs, and they had to divide the prefectural government into two parts to manage the industry and agriculture respectively, and suggested to the provincial government to separate Baoji Municipal Government out from the prefectural government to concentrate on industrial affairs. This action of the low-level cadres proved to be far-sighted. In the latter half of 1965 when the leaders of the Construction Commission of the central government and the Northwestern Bureau of the Central Committee of the CCP surveyed the construction of the “third front” in the northwest, they found that many important projects of the “third front” located in the counties of Baoji Prefecture that had weak industrial capacities, and the construction and production of these projects had to rely on industrial support from Baoji city managed by the municipal government. But this kind of support had to be arranged by the prefectural and municipal governments and pass through many unnecessary and excessive administrative steps. As well, the prefectural government had no capacity to manage both the agricultural and the industrial aspects when the large-scale industrial construction started. With the strong suggestions by Gu Mu 谷牧 and Song Ping 宋平, the Heads of the Construction Commission of the central government and the Construction Commission of the Northwestern Bureau, the Shaanxi Provincial Government upgraded Baoji Municipality, Hanzhong and Tongchuan Municipality

under the same conditions as the Municipalities under the direct leadership of the provincial government (see Chart 9, p. 84).

After that, all important industrial areas in Shaanxi province were managed by three Municipalities (Xi'an, Baoji, and Hanzhong) respectively. For example, in Baoji Prefecture, all industrial areas (such as Guozhen and Caijiapo towns, and Longkou 龙口 town of Fengxian County) were managed by the Baoji Municipal Government. Similarly, the industrial zones of Xianyang Municipality were managed by the Xi'an Municipality. In order to add to the expertise of Baoji Municipal Government, the Shaanxi Provincial and the Baoji Prefectural Governments also transferred many experienced cadres to the Baoji Municipal Government. For example, the Party Secretary of Baoji Municipality Zhu Zitong 朱子彤 and the Vice Mayor Li Kang 李康 who were in charge of the industry were former heads of specialized organs of Shaanxi Provincial Government.²⁰ After this change, it was the Shaanxi Provincial Government, not the Baoji Prefectural Government, directly managed Baoji Municipality. The upgraded municipal government concentrated on the industrial affairs of several industrial areas in Baoji Prefecture, while the prefectural government managed the agriculture of all areas of the Prefecture.²¹

Partial centralization took place in the material and products circulation and supply systems. In September 1965, the Material Ministry established the special Headquarters of Material Supply in the Northwest, Southwest and Central South to manage the supply of materials and products necessary for the construction of the national “third front”. But more important change was that this ministry re-organized the material circulation and allocation at the provincial level. The Material Ministry established 24 “material supplying areas 物资供应区” in the national ‘third front’ just on the basis of the traditionally formed economic areas, instead of the administrative divisions.²² In every material supply area the materials and equipment for the projects of the “third front” were managed by newly established Material Bureaus – the direct branches of the Material Ministry, not of provincial governments – according to the new principle of “unifying material supply according to the economic areas 按经济区域就地就近统一组织供应”.²³ This new system not only supported the pressing need for

construction of the “third front”, but also tried to be more efficiently and rationally distribute and circulate materials among the central ministries, provincial and municipal governments, and their enterprises in the same area.

With respect to enterprise management, according to one document, the Heavy Machine Plant and Machine-tool Plant of Shaanxi Province managed by the Machinery Industry Department of Shaanxi Province were taken back by the First Machine-building Industry Ministry in June of 1966.²⁴ But no further sources proved this centralization of enterprise management was on a large-scale.

At the prefectural and municipal levels, the Shaanxi Provincial Government devolved to the Baoji Prefectural and Municipal Governments some powers in fiscal arrangements, industrial and labor management, and so on. But this devolution was quite limited, and was only concentrated in the field of the establishment of small industries.²⁵

B. Industrial location and urban construction in Baoji city during 1965-9

The principle of the industrial location in this period was quite special. We knew that the important projects of the FFYP were mainly located in urban areas often with easy access to transportation. But during 1965-76, the CCP government from the view of military security decided the new principle of industrial location was to “conceal, disperse, and locate near mountain”, which meant the important projects of the “third front” should be located in mountainous places that could not easily be discovered and bombed by the enemy. In Shaanxi province, of 117 important defense and heavy industrial projects built in this period, more than 74 defense projects were placed on the Qinling Mountain, with only some projects of machinery industry, basic industry and light industry supportive to the defense industry located on the Guanzhong Plateau.²⁶ The new defense industrial bases built in Shaanxi in this period were all concentrated in the areas of the Qinling Mountain in southern Shaanxi. These bases included one aviation industrial base with 11 plants in Hanzhong 汉中 and Ankang 安康 Prefecture in the Qinling Mountain; one aerospace (missile) industrial base with 24 projects in Fengxian 凤县 County of Baoji Prefecture and Lantian 蓝田 County of

Xi'an Municipality in the Qinling Mountain; one nuclear industrial base with 12 projects located in the Qinling Mountain, and 27 electronic projects (plants, research centers, storehouses, hospitals) and some projects of conventional weapons distributed in the areas in or near the Qinling Mountain in Shangluo 商洛 Prefecture, Fengxian County of Baoji Prefecture, and some areas of Baoji County and Tongchuan 铜川 Municipality on the Loess Plateau.²⁷

In Baoji Municipality and Prefecture, according to this industrial location, important defense projects of the central government were concentrated in Fengxian County on the Qinling Mountain, now a key area of the national "third front". At the same time, many small plants in Baoji Municipality were placed in the Xian'gong 县功 town in northern Baoji Municipality, an area designated as the military hinterland of Baoji Municipality. As far as Baoji city itself was concerned, during 1965-9 several large and medium-sized plants were built or relocated there. But after 1969 when the central government thought that too many industrial projects were concentrated in Baoji city, no new large and medium-sized factories were located there.²⁸

During 1965-9, Baoji city's role as the local industrial center was secure, when its share in the industrial production of the whole prefecture rose from 59.5% in 1965 up to 66% in 1970 due to the relocation of some large and medium-sized plants into it.²⁹ In addition, in the material allocation and circulation system of the Commerce Ministry and the Materials Ministry, Baoji city was still an important depot at the level of province and areas. To the end of 1967, Baoji city had 59 second and third levels wholesale agents of consumptive and agricultural goods for the allocation and circulation in Baoji Prefecture and nearby prefectures. And almost all second level wholesale organs for the circulation of productive goods in this area (including Baoji Prefecture and other nearby prefectures in western Shaanxi and eastern Gansu provinces), such as the Baoji Prefecture's the Timber Company (Bureau), the Productive Material Company (Bureau), the Metal Company (Bureau), the Machinery, Electronic, and Equipment Company (Bureau), and the Construction Material Company (Bureau), clustered in Baoji city.³⁰

But after 1969, the economic status of Baoji city in Shaanxi dropped slightly.

The quick industrial increase of other places in Baoji Municipality (Prefecture) decreased the share of Baoji city in the industrial production value of the Municipality from 66% in 1970 to 64% in 1975 and 60.1% in 1976.³¹ Baoji city was still the logistic center in the eastern Gansu and the western Shaanxi Provinces, but some new competitive centers emerged. For example, the Baoji Division of the Hardware and Electrical Appliance Company 宝鸡五金交电分公司, one branch of the Commerce Ministry and a second-level wholesale depot, that once supplied small amounts of general machinery, electronic products, and hardware for the areas including the nine counties and cities in western Shaanxi and eastern Gansu. But after 1969, when so many important projects of the “third front” were located at the Qinling Mountain, another Division was established in Hanzhong city as the second-level wholesale depot for Hanzhong Municipality, Ankang Prefecture, and other nearby areas.³²

This new principle of industrial location also created a wave of industrial relocation from the urban areas that had many industrial projects to medium and small-sized cities, towns and even rural areas. This relocation consisted of short and long distance types. In the case of Baoji city, there was only one short distance relocation – the relocation of some divisions of the Xi'an Paste Plant to the eastern suburb of Baoji city in 1965 to establish the Baoji Chemical Plant for the production of special glass for military use.³³ Long distance relocations, however, especially from the areas of the “first” and “second” fronts were on a large scale. Because it is also concerned with the method of industrial expansion, I will discuss it in the following paragraphs.

Because so many large and medium-sized plants were now located in fairly remote rural areas, these plants faced all kinds of difficulties in production, construction, and quality of worker's life. In order to solve this problem, but at the same time to view this location of industrial plants in rural places as a good chance to shrink the gap between urban and rural areas, the government promulgated a special economic and urban policy – “the integration of industrial plants with the People's Communes 厂社结合”. The CCP government hoped to combine the excess capital, technology, equipment of the enterprises on one hand, and the relatively sufficient

labor, grain, vegetable, lands, and all kinds of natural resources of People's Communes on the other hand, to develop rural industries to support those large and medium-sized plants, and also to improve the rural conditions. This "integration of plants and People's Communes" was first developed in Sichuan province, and was quickly duplicated in other places as the model of construction for "third front". It was said that it not only earned the support of peasants in supplying materials to the construction of defense industry, but also improved rural conditions, promoted the urban-rural and worker-peasant relations, and contributed to the social stability of Communist China. But because this had little bearing on urban areas, I will not discuss it further.³⁴

Since 1958, no urban planning for Baoji city had been made until 1975. Many aspects of the urban planning in Baoji city during this period still followed some principles made in 1957-9. One was the minimal building standard of urban construction to save investment for industry and to save lands for agriculture. According to the revised urban plan in 1958, the living space for every person in Baoji city in 1962 should be 4.5 square meters. But until 1975 the living space for every person was only about 3 square meters, up only slightly from 1958 when it was 2.7 square meters.³⁵ At the same time, the industrial location in Baoji city was still based on the principle of "scattering in the city 大分散, and concentrating in the district 小集中". Based on the functional division of Baoji city and its suburbs into 7 industrial zones in the plan of 1958, Baoji city in 1975 was divided into 12 small specialized industrial zones, and every zone was concentrated with related industrial plants, in order to minimize any losses caused by possible air attacks and to enhance economic efficiency at the same time. This principle for the sake of security even went to an extreme in this period. The government planned that the plants near the Qinling Mountain and Loess Plateau (often those important defense projects) should locate their main production lines and equipment in special caves. The plants located on Guanzhong Plateau should also locate 20% of their main production lines and equipment underground. With respect to the urban transportation in Baoji city, the government also designed a network of circular roads around Baoji city to ensure

smooth urban transportation in wartime.³⁶

Lower building standards in urban construction and the pursuit of quick industrial development by the CCP government led to very limited investments on urban construction, commerce, and service in Baoji city (see Chart 15), and consequently they suffered backward compared with the industry development and urban expansion. The ratio of the commercial shops with their workers and the service workers serving every 10,000 urban residents dropped from 25.6 commercial shops with 297 workers and 173 service workers in 1957 to 9.3 shops with 109.8 commercial workers and 52.5 service workers in 1976.³⁷ The new industrial zones of Baoji city were especially short of commercial and service workers. At the end of 1969, it was estimated by the government that besides 865 commercial workers in the Qingjiang 清姜, Douji 斗鸡, and Tanjiacun 谭家村 Districts, more than 655 more commercial workers were still needed.³⁸

Chart 15. The proportion of all public economic sectors in total capital investment in Baoji city during 1953-80 (unit: per cent)

	1953-7	1958-62	1963-65	1966-70	1971-75	1976-80
Industry	18.58	50.48	77.12	71.91	62.68	46.57
Communication	68.00	16.38	1.81	6.12	6.64	3.77
Agriculture, Forestry, Water	0.44	20.09	9.28	17.22	22.21	34.81
Commerce and Trade	3.41	4.73	1.64	1.28	2.51	3.86
Research	1.44	0.87	1.55	0.10	0.61	0.65
Education, Culture, Hygiene	5.67	2.95	1.32	0.60	1.42	5.71
Urban Construction	1.62	2.22	3.23	0.89	1.68	2.53
Other	0.84	2.28	4.05	1.87	2.25	2.10

Source: "The outline of thirty-two years national economic statistic materials of Baoji Municipality", quoted from Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 202.

C. Baoji city in the construction of the "third front" during 1965-9

With respect to the economic sectors managed by the central government, during 1965-9, only one new important defense project of the central government, Jianguang 建光 Machinery Plant of the Fourth Machine-tool Industry Ministry, was established in Baoji city in 1969. What the central ministries centered in Baoji city were heavy

industrial projects. Two new and important projects of heavy industries were built by the central ministries in Baoji city: the Baoji Non-ferrous Metal Processing Plant 宝鸡有色金属加工厂 of the Metallurgy Industry Ministry in 1965, the Baoji Machine-tool Repairing Plant of the First Machine-building Industry Ministry in 1965.³⁹ The Baoji Fire-fighting Equipment Plant of Public Security Ministry restarted its construction again at the end of 1964.⁴⁰ At the same time, two machinery plants (the Qinchuan Machine-tool Plant and Baoji Forklift Plant for general needs on precise machine-tools and forklift) of the First Machine-building Industry Ministry, two machinery plants (the Baoji Bridge Plant and the Baoji Electric Equipment Plant) of the Railroad Ministry, two machinery plants (Baoji Electric Power Equipment Plant and Baoji Iron Tower Plant) of the Water Power and Electricity Ministry, one bulb plant for defense needs, and one glass plant and one machinery plant for medicine of the Chemical Industry Ministry, relocated from the cities in eastern China to Baoji city (see Appendix 9). The Baoji Power Station was expanded by the Water Power and Electricity Ministry to meet increased needs on power caused by the construction of the “third front”. All in all, these newly established and relocated large and medium-sized plants accounted for half of the 21 large and medium-sized plants that Baoji city had in 1985.⁴¹ But this industrial establishment was dwarfed by the construction of 39 important defense projects in southern areas of Baoji Prefecture in the vicinity of the Qinling Mountain – notably in Fengxian County in this period (34 projects of the central government, and 5 projects of the provincial government).⁴²

In contrast, from the local view, the provincial and municipal governments and their economic sectors again played the supportive and secondary roles in this construction of the “third front”. Besides investing much time and effort on agriculture due to Mao’s directive to “prepare for war and starvation 备战备荒” and the serious drought in Shaanxi province during 1966-7 that decreased the agricultural production during 1966-9 even lower than 1965,⁴³ the Baoji Prefecture and Municipal Governments tried hard to satisfy all the different needs of these important projects. From late 1964 to the beginning of 1965, the Baoji Prefectural Government had held two special meetings to solve the problems of material supply and the living needs of

employees for the projects of the “third front”. The prefectural government also established a special Leading Group of Urban Affairs in September 1964 to manage the urban construction, commerce, and service that were concerned with the projects of the “third front”. With little investment from the central and provincial governments, the municipal government mobilized the masses to plant trees, repair roads, and establish the embankment along Wei River, and so on.⁴⁴ Furthermore, in early 1965, the prefectural government also restructured its specialized agencies. The new Economic Commission of Baoji Prefectural Government replaced the former Industry and Communication Bureau and extended its management to all local economic affairs related to the “third front” through three specialized companies: the Agricultural Machinery Company, the Light Industry Company, and the Construction Material Company. This commission even took over the management of all kinds of related small enterprises from the county governments to unify their production for the needs of the “third front”,⁴⁵ and tightened controls on collective enterprises that produced according to the markets needs from before 1966.⁴⁶

One important action of the provincial and municipal governments to support the important projects of the “third front” was to realize the “self-sufficiency” of the production of productive materials and products, in order to reduce economic dependency on other areas in case of possible war. Finding that 80% of the “locally managed” materials needed by the defense plants in Shaanxi province had to be imported from other provinces, the Shaanxi Provincial Government thought it would be dangerous in wartime and therefore must be revised. According to the plan of Shaanxi Provincial Government, it should own the industrial capacity to produce 70% of needed “locally managed” materials and products and localize 20%-30% of inter-provincial production relations and co-ordinations of Shaanxi province by 1969.⁴⁷ The Baoji Prefectural Government also planned that 70% of needed “locally managed” materials and products could be self-produced in Baoji Prefecture, a step that meant the numbers of this kind of materials produced locally would increase from 546 in 1965 to above 2,450 in 1969.⁴⁸ Even 45 items of used products formerly exported to industrial bases on coastal region for recycling such as used steel, iron,

non-ferrous metal, textile products and others, were now ordered by Baoji Municipal Government to be recycled locally for local needs.⁴⁹

To realize this self-sufficiency, the Shaanxi Provincial Government ordered that all municipal governments in Shaanxi province should develop numerous small industries, especially the “five small industries 五小工业 (small steel, cement, machine-building, and chemical plants, and small light industry)” in urban areas. Considering the limited resources of the grassroots governments, the Northwest Bureau of the Central Committee of the CCP decided the principle of the establishment of these small industries were “small 小型(small-sized), local 地方(to use local materials and served local needs), and systematic 成群(to establish entire industrial system)”.⁵⁰ In Baoji city, the municipal government established three small chemical plants and one chemical industry plant, and six small machinery plants that served the agriculture and defense industry by merging and upgrading collective enterprises, with a medium-sized fertilizer plant (the Baoji Fertilizer Plant) built by the provincial government and the Chemical Industry Ministry.⁵¹ Some of these small machine-building plants had the ability to transfer to the production of conventional weapons in time of urgency such as what happened at the beginning of the 1970s. At the same time, the municipal government also established the Baoji Steel Plant, the Baoji Powder Metallurgy Plant, the Baoji Electroplate Factory, and two construction companies by expanding the workshops of existing small state-owned plants or merging collective enterprises.⁵²

To establish the important projects in the areas of the “third front”, the CCP government used the old method of “three olds (old industrial base, enterprises and workers) helping three new (new industrial base, enterprises and workers) 三老带三新” to establish new projects in the “third front”. New plants in Baoji city were built using this method. The Baoji Non-ferrous Metal Processing Plant was built by the related plants from Beijing and Nanjing to produce the materials for the aerospace industry base in the Qinling Mountain.⁵³ The Baoji Fertilizer Plant was built with the support of the old plants in Beijing city.⁵⁴ The Jianguang 建光 Machine Plant was established by the Changling Machine Plant, the Fenghuo and the Lingyun Machinery

Plants in Baoji city, and got personnel and equipment support from old plants in Sichuan, Henan, Gansu, Guangxi.⁵⁵ The Baoji Machine-tool Repairing Plant was established by several workshops of the Shaanxi Machine-tool Plant and also got personnel supports from the Xibei Machine Plant.⁵⁶ Furthermore, the government used the method of “dividing one into two 一分为二” to relocate one part of the important plants from coastal regions into the areas of the national “third front”. The best examples of this were the relocated plants in Baoji city (see Appendix 9). In fact this new method could be regarded as one application of the “old plants supporting new plants” principle.

The establishment of some small industrial plants managed by the municipal government also used these two methods to get support from the old plants of the central ministries in the coastal regions and other areas. The Baoji Meter Plant was composed of relocated parts of the Shanghai Automatic Meter Plant and the Baoji Meter Plant (established in 1958).⁵⁷ The Baoji Standard Component Plant was established by the combination of several workshops of the Shenyang Standard Component Plant that relocated to Baoji city in 1967 and the Baoji Screw Factory established in 1965.⁵⁸ The Baoji Pump Plant was formed on the base of the old jointly-managed Yumin Machine Plant in Baoji city and parts of the Benxi Pump Plant relocated to Baoji city in 1966.⁵⁹

Yet, just like before, the existing plants – especially the collective enterprises – in Baoji city also played active roles in the establishment of small industries managed by the municipal and county (district) government. For example, among six small machinery plants built in this period, the Baoji Motor Fittings Factory, the Vehicle Factory and the Agricultural Generator Factory were all made by combining existing collective factories. The Baoji Meter Plant, the Standard Component Plant and the Pump Plant were established by combining existing collective or jointly-managed enterprises with relocated parts of old plants in eastern China. Thirteen small collective machinery enterprises managed by district government all came from a merger of old handicraft organizations and street enterprises.⁶⁰ The industrial establishment in light industry was the same as can be seen in Appendix 8. This trend

can also be seen in the change in the number of the employees in state-owned enterprises managed by the municipal government and the employees of collective enterprises in Baoji Municipality. During 1966-9 the employees of the state-owned enterprises of the municipal government went up by 17,257, while the employees of collective enterprises decreased by 13,988. Considering that during this period these state-owned enterprises recruited only 7,418 new workers, much of the increase in employees obviously came from the collective enterprises that were upgraded and merged (see Appendix 5, 6).

Because of the important role of collective enterprises in industrial expansion and to satisfy the industrial needs of the construction of the ‘third front’, their development was encouraged by the municipal government. The government not only organized the urban residents to establish all kinds of street industry and service teams, but also reduced taxations, offered favorable bank loans, and guaranteed the material supply to these enterprises by launching a mass campaign to search and save materials and appropriating a certain quota of materials to these enterprises. Consequently, in only 1965, the Baoji Municipal Government established 47 new street plants with 5,000 employees and the capacity to produce about 260 items of “locally managed” materials worth more than 20 million yuan in market value. This model was soon propagandized as the model for the whole northwestern region.⁶¹ After many collective enterprises being transformed into state-owned enterprises, by 1969 Baoji city and other towns of Baoji Municipality still had 45 service teams with 4,600 members,⁶² and by 1970 the street enterprises in Baoji city still employed more than 2,391 urban laborers and produced 6.8 million yuan worth of products per year.⁶³

This increase of the economic sector managed by the municipal government was also pushed by the economic recovery that started in 1963. In light industry, the reopening of the Shaanxi Ninth and Twelfth Mills, the two biggest mills in Baoji Prefecture, and other small textile and other enterprises increased the share of light industry in industrial production from 55% in 1965 to 67% in 1969, but was still lower than the 72.8% in 1957.⁶⁴ The share of light industry in Baoji Municipality dropped a little, from 34.9% in 1965 to 32.4% in 1970 due to so many projects of

heavy industry built or relocated into Baoji city (see Appendix 3). Many cancelled projects of the GLF, mainly the “five small industries”, also were re-activated. The Baoji Fire-fighting Equipment Plant of the Public Security Ministry also re-started its construction and began production in 1965, with technological and personnel supports from the Shanghai and the Tianjin Fire-fighting Equipment Plants.⁶⁵ The Baoji Meter Plant, the Baoji Vehicle Factory and the Baoji Agricultural Generator Factory, all projects of the GLF, stopped in the early 1960s, restarted their construction after 1965.⁶⁶

Nationwide, this construction of the “third front” and the methods of industrial expansion in the interior created another huge wave of industrial relocation from eastern China to the interior. During the climax of this industrial relocation from the end of 1964 to 1965, about 400 large and medium-size enterprises relocated from the national “first front” to the “third front”.⁶⁷ In the machinery industry of Shaanxi province that developed quickest during 1965-76, 16 defense and 3 civilian machinery plants (one produced sewing machine and two produced watches) relocated to Shaanxi.⁶⁸ As for the situation in other places, from a paper about the Shanghai coating industry, we learnt that Shanghai Coating Company 上海涂料公司 and the plants it managed such as the Shanghai Kailin Coating Plant 上海开林造漆厂, the Shanghai Zhenhua Coating Plant 上海振华造漆厂, the Shanghai Xinhua Resin Plant 新华树脂厂, and the Shanghai Coating Plant 上海造漆厂, used their own labor and equipment to build 3 important industrial plants related to defense in Chongqing of Sichuan Province, Kunming 昆明 of Yunnan 云南 Province and Yichun 宜春 County of Jiangxi 江西 Province.⁶⁹

Meanwhile, many higher educational institutions and research centers also relocated, or divided into two and moved one part, to the areas of the “third front”. The best example was Beijing University 北京大学 and Qinghua University 清华大学 that were divided into two and one part moved to Hanzhong 汉中 city of south Shaanxi and Wuhan city of Hubei province respectively. In Shaanxi, according to the sources about the machine-building industry, 26 research centers and institutes of 6 defense or semi-defense Machine-building Industry Ministries relocated from Beijing,

Tianjin, and other cities of the Northwest to Shaanxi.⁷⁰ At the same time, inter-provincial exchanges of experience and technology, especially the export from developed to backward provinces, were organized by provincial governments in this period, just like in the 1950s.⁷¹

In addition, there was also a flow of skilled labor, equipment, and technology from the interior to coastal regions. During this period, in order to realize the establishment of entire systems of the defense industry in all regions, the defense industry under the management of the central ministries transferred the production of high-tech and precise products to enterprises managed by the provincial and municipal governments. Therefore, the flow of skilled workers, technology, and equipment from interior to coastal regions also occurred when many defense industrial projects were located in the interior even though their technology, equipment and skills were needed by enterprises in coastal regions. For example, during 1966-78, the Baocheng Meter Plant offered technical support and transferred certain types of products to the Shenyang Precise Meter Plant, the Shenyang Micro-electronic Engine Plant, and some machinery plants in Shanghai.⁷²

The construction of the “third front” also had its own problems. The first one was the scarcity of productive material and labor supply that was created by the suddenly expanded industrial needs but the relatively backward industrial capacity and low urban development in Baoji city and other places of Shaanxi province, even though the municipal government tried hard to meet this gap by establishing the “five small industries”.⁷³ For example, the Baoji Meter Plant that was re-established on the base of one relocated part of Shanghai Meter Plant needed three tons of aluminum per year for its production, but the supply quota for the whole municipality was 1/4 of a ton.⁷⁴ In 1966, 677 new workers were needed by the machine-building industry in Baoji city, but the Labor Bureau of Baoji Municipality could only recruit 414 qualified urban laborers for them. The other 263 workers had to be recruited as temporary workers from rural areas.⁷⁵ Secondly, some old plants of Shaanxi province were reluctant to give their skilled laborers to those new plants, which meant that the First Machine-building Industrial Company of Shaanxi Industrial Department could

not get 596 skilled workers to build new plants at the end of 1966.⁷⁶

II. The “third front” and Baoji city from 1969 to 1976

A. The changes in economic strategy and administration during 1969-76

The armed conflicts between China and the Soviet Union along the northeast border in March of 1969 worsened the international situation of China. China now faced not only the possible conflicts with the US and India in the south, but also a more direct and realistic threat in the north from the Soviet Union. But the CCP government obviously had no confidence that the relatively weak military forces of China could resist the invasion of the powerful Soviet army, because according to one document in 1973, Loess Plateau on the north of Shaanxi was designated as an important battlefield to fight the Soviet, and the Guanzhong Plateau should prepare for air-attacks.⁷⁷

With this consideration, the CCP government accelerated its construction of the national and small “third front” and as of 1969 began to mobilize for wartime production. The CCP government divided China into 10 economic coordinating regions (Southwest 西南, Northwest 西北, Central Plain 中原, South of China 华南, North of China 华北, Northeast 东北, Shandong 山东, Fujian and Jiangxi 闽赣, Xijiang 新疆, East of China 华东), and instructed that each region should establish one independent and self-sufficient defense system. It was hoped that once the war broke out, each of these regions could fight the invaders independently by using their own industrial capacities, even if other regions were lost and occupied.⁷⁸ At the same time, the government also mobilized the masses to build all kinds of military construction (in Guanzhong the center was the anti-aircraft construction), and to organize the People’s Militia.

Accordingly, this reaction of the CCP government produced another huge wave of construction in the defense and heavy industry. The CCP government doubled its investment in defense industry in 1971 over that of 1969, and gave the defense industry priority in material and equipment supply, power use, and so on. Certain

sectors of civilian industry even shifted to defense production.⁷⁹ In Shaanxi province, the capital investment in 1970-2 accounted for 70% of capital investment during 1965-72,⁸⁰ and the annual industrial investment during 1970-3 reached 1.83 billion yuan that was historically the highest level, and afterwards it was still kept at a high level.⁸¹ In Baoji Municipality (in 1971 Baoji Prefecture merged with Baoji Municipality), capital investment was kept above 100 million yuan until 1978, and reached a peak in 1971 (255 million yuan), and the value of industrial production of Baoji Municipality in 1969 and 1970 increased by 102.81% and 34%. These rates were only lower than that of the period of the GLF and in 1966.⁸²

This economic “self-sufficiency” was relatively successful. By the end of 1973, about 80% of the needed products of light industry, and many important general materials like steel, copper, aluminum, and so on, could be produced locally in Shaanxi province.⁸³ Nationwide, in 1975, the shares of small plants managed by the grassroot governments in the national production value of steel, coal, fertilizer, and cement were 6.8%, 37.1%, 69%, and 58.8% respectively.⁸⁴

Large-scale capital investment and the pursuit of a high-speed increase in the construction of the “third front” created problems very similar to the GLF. The most severe was the explosion of recruited new workers during this period, which put heavy burdens on the government in paying urban wages and supplying grain, and caused inflation and fiscal deficits. With the high-level national capital investment of 34 billion yuan in 1971 (mostly for defense and heavy-industry sectors), the number of employees of state-owned work units jumped to about 53.2 million, and the wages for these employees reached to 30.2 billion yuan, and 42.75 million tons of grain flowed into the urban areas in 1971. This was known as the problem of the “three breakthroughs 三个突破” during 1971-3, which meant the number of employees of the state-owned work unit surpassed 50 million, the total volume of their wages was over 30 billion yuan, and the grain imported to urban areas was more than 40 million tons.⁸⁵ As the central area of the national “third front”, the situation of Shaanxi province was worse. In 1971, 800,000 peasants were recruited as formal or temporary urban workers. The money paid for the employees of the state-owned work units

surpassed 900 million yuan, and grain supplied for urban residents exceeded 400,000 tons. Even when the government took action in 1972, the situation did not improve.⁸⁶ In Baoji Municipality, the employees of the state-owned organizations broke the limit of 200,000 employees, and eventually reaching 226,000, and their wages amounting to 126 million yuan, and the grain supplied for the urban residents rising to 151,000 tons.⁸⁷

Faced with this problem, the construction of the “third front” seemed unfeasible. It was just at this moment, when the US President Richard Nixon visited China at the end of 1971, and this détente in Sino-American relationships gave the CCP government a good opportunity to adjust its strategy.

The CCP government first adjusted its industrial policy. The government emphasized agriculture and light industry again, and increased the national agricultural investment in 1972-3 by 370 million yuan in comparison with the decrease of the industrial investment by 2.14 billion yuan. In Shaanxi, Premier Zhou Enlai in his visit to Shaanxi in 1973 ordered that the industry serving agriculture, light industry, and basic industry should be the focus of industrial development for the next few years.⁸⁸

But it seemed that the provincial government favored agricultural industry rather than light industry. The Shaanxi Provincial Government concentrated on the small machinery plants to “mechanize” agricultural production, while the share of light industry in the provincial value of industrial production dropped steadily from 67% in 1970 to 36% in 1975.⁸⁹ But in Baoji city, this adjustment was effective, because the share of light industry in the industrial production value in Baoji Municipality (not including the counties of the former Baoji Prefecture) increased from 32.4% in 1970 to 45% in 1976 (see Appendix 3).

The regional policy also experienced some minor changes when the military threat from the coastal areas was lessened. Coastal regions gained more attention from the central government than before, but the key content of the regional policy still focused on the construction of the national “third front”. On the other hand, the central government consolidated the 10 economic coordinated regions into 6, and

announced the slow-down of the construction of the self-sufficient industrial systems in these regions.⁹⁰ The deep and thorough changes to the industrial and regional policies of the CCP government did not come about until 1976, after Mao had died and his supporters lost power.

During this period, the government took special policies to reduce the huge demands of the “three breakthroughs”. In 1972, the central government decided to cancel 150 large and medium-sized projects and sent 7 million peasant workers back to rural places. What is more, the government decided to tighten labor recruitment over the next three years and to adjust (reduce) the grain rationing for urban residents. When this “three breakthroughs” still continued in 1973, the central government further cancelled about 300 important projects and mobilized 5 million urban residents to go to the countryside. Following the directive of the central government, the Shaanxi Provincial Government decided in 1972 to dismiss 6,000 employees of the state-owned organizations, and kept the number of workers with rural residency under 200,000.⁹¹ In 1973 the provincial government also decided to abandon its 16 projects, together with the cancellation of 11 projects managed by the central ministries in Shaanxi, and no new ones were built there.⁹²

In Baoji city, even though the municipal government in 1972 decreased its planned industrial investment by 30.5% and fired 6,800 temporary workers and many new formal workers,⁹³ the number of employees of state-owned enterprises, the amount of wages for workers, and the amount grain supplied for urban residents, still increased by 5.9%, 11.5%, and 3.5% respectively in 1973. The reason was the continuing high-level industrial investment in Baoji Municipality. Even when the investment of the central government decreased, the industrial investment from the municipal government increased 116% in 1972 over 1971 and still surpassed 300 million yuan in 1973. This forced the municipal government to stop worker recruitment during 1973-4, to dismiss excessive new workers recruited in 1972, and to send some temporary workers from rural areas back. With these policies, the number of employees of the “state-owned” organizations decreased a little, but the situation was still not good.⁹⁴

In order to assist the provincial and municipal governments to establish small “third fronts”, the CCP government had decentralized the administrative system again in 1969. Hu Shudong regarded this decentralization as large-scale similar to the Great Leap Forward, but the sources about logistics and defense industry proved that the attitudes of the CCP government towards this decentralization were more cautious than in the GLF.⁹⁵

At first glance, the devolution of enterprises from the central ministries to the provincial governments was large scale. It was said that most of the enterprises managed by the central governments would be devolved to the provincial governments or in the form of dual leadership of the central ministries and provincial governments – Hu Shudong said that this involved 8,900 of 10,533 enterprises managed by the central ministries, but Liu Suinian (former head of the Material Ministry) said it was 24,000 of 32,000 enterprises.⁹⁶ But close observation revealed that the situation was far more complex in Shaanxi province.

In Shaanxi, no important defense enterprises were devolved until 1973, when some enterprises of six machine-building ministries were devolved and put under the dual-leadership of the central ministries and the provincial government.⁹⁷ Within this dual-leadership, the central ministries played the fundamental roles in all important aspects of management, such as production management, planning, resource allocation, and so on. The managing organ of the Shaanxi provincial government, the Defense Industry Leading Group 国防工业领导小组 of Shaanxi province established in 1969 and renamed as the Defense Industry Office afterwards, was responsible only for the “Party and political affairs 党政工作” and the supply of local supports to these enterprises.⁹⁸ Even though the devolution of the defense industries seemed expanded a little after the issue of “the decision of adjusting management system of national defense industry 关于调整国防工业管理体制的决定” in May of 1974 by the State Council and the Central Military Committee of the CCP, this devolution was quickly stopped in 1975 according to the application of Shaanxi Provincial Governments, because the provincial government found it had no capacity to manage devolved enterprises, especially in technical support, capital investment, material and products

supply. This situation was commonplace in the backward regions such as the Northwest and Southwest, and the Regional Bureaus of the Central Committee of the CCP of these two regions hoped the central ministries could slow down or pause their devolution in these two regions.⁹⁹ Because of this, the central ministries took back those devolved defense enterprises and the relevant functional branches.¹⁰⁰

The enterprises devolution in other industries, such as heavy and light industry, was quicker and larger. But the government was still cautious, and only devolved enterprises one group by one group, and only devolved them to the provincial government.¹⁰¹ But the provincial government also could not sustain these devolved enterprises and refused to accept them.¹⁰² At the same time, we found some enterprises and the third-level wholesale depots of all kinds of goods managed by the provincial government devolved to the Baoji Municipal Government in 1970. These devolved enterprises to the municipal government included 27 plants of light and textile industry, 22 plants of machine-building industry, ten chemical plants (some of them were newly established plants of the “five small industries”), and some wholesale organs of commerce and hospitals. But the Municipal Government also could not sustain these devolved enterprises in materials and capital, and had to manage these enterprises with the provincial government together under dual-leadership.¹⁰³

In the labor use, after 1973 the provincial and municipal governments had the right to supervise the labor recruitment of almost all enterprises in their administrative areas, except defense enterprises. Enterprises reported their labor needs to the municipal government, and the latter would examine their needs and recruit labor from the areas it managed and allocate them to the enterprises according to their needs.¹⁰⁴ But the supply and transfer of skilled labor of the enterprises managed by the central ministries or under the dual-leadership were still managed by ministries, which was previously explained in the descriptions about the method of industrial expansion “old plants supporting new plants”. Even to the recruitment of unskilled labor, according to Mr. Zhou, the head of Party Committee of one sub-plant of the Baoji Non-ferrous Metal Processing Plant that was devolved to the provincial

government under the dual-leadership, the planning and recruitment was still tightly controlled by the Metallurgy Industry Ministry.¹⁰⁵

The management of the productive materials and products also had some changes. Because of the wide establishment of the “five small industries” and the development of self-sufficiency, the backward regions and areas now could produce many “unified allocated” materials and products such as steel, cement, ordinary machinery, etc., and no longer depended on the importation from other places under the arrangement of the central government. Consequently, many “unified allocated” materials were downgraded as “locally managed” materials and their numbers decreased from 326 items in 1966 to 49 items in 1972, and stayed at more than 50 by the middle of 1970s.¹⁰⁶ The mechanism of allocation and circulation of the “unified allocated” and “locally managed” materials shifted from the “national balance” to the “regional balance 地区平衡”, which meant these materials were managed and circulated by the regional bureaus of the Central Committee of the CCP within the span of the region, without the need for importation from other regions. Correspondingly, many branches of the Materials Ministry became useless and were cancelled in 1969.¹⁰⁷ But the management of the “ministry managed” materials by the central ministries according to the “national balance” did not change, and instead the number of “ministry managed” materials increased from 253 in 1966 to 567 in 1973.¹⁰⁸ In Shaanxi province, with many important projects of defense and heavy industry located there during the construction of the “third front”, the supply and circulation systems of the central ministries expanded after 1965. For instance, with the establishment of important aero-space bases in southern Shaanxi, the Seventh (aero-space) Machine-building Industry Ministry established its Northwest Material Supply Station and supply system in Xi'an in 1970-75. At the same time, the concentration of many important electronic projects in Shaanxi forced the Fourth Machine-building Industry (electronic) Ministry to establish three Material Storehouses 物资仓库 at the end of the 1960s near the places where its enterprises were clustered. It was the same for the material supply and circulation system of the Second (nuclear), the Three (aviation) Machine-building Industry Ministry.¹⁰⁹

Furthermore, from the view of enterprises, the division of the “enterprises with direct supply” and “with indirect supply” did not change.

With respect to the circulation and allocation of consumptive products, it still followed the model established in period of the three-year adjustment and was managed by the Commerce Ministry.¹¹⁰

In the fiscal system, it was said that during 1971-2 the central government devolved to the provincial governments the depreciation funds of all kinds of enterprises, except the enterprises of The Second Machine-building Industry Ministry (for nuclear industry) and the Water Power and Electricity Ministry. At the same time, the central government appropriated 8 billion yuan to provincial governments to develop local industry in five years.¹¹¹ The central government also entitled the provincial governments to adjust some kinds of taxation,¹¹² and permitted provincial governments to use one part of the revenue, if the provincial government finished the quota planned by the central government.¹¹³

With the change in the economic strategy that started from 1972, the CCP government re-centralized the administrative system. Many enterprises were taken back again by the central ministries, and the number of important productive materials and products under central control, e.g. “unified allocated” and “ministry managed”, increased to 210 and 581 respectively.¹¹⁴ At the same time, the “regional balance” model of material allocation and circulation was replaced by the system of the Material Ministry that was reestablished from 1972 to 1975.¹¹⁵ After 1973, the fiscal system was also re-centralized. The central government increased its share in the national fiscal revenue and restricted the investment of the provincial governments.¹¹⁶

B. The construction of the “third front” in Baoji city during 1969-76

Since in 1969, when Baoji city was regarded by the Northwestern Regional Bureau of the Central Committee of the CCP and the Northwestern Military Region as an industrial over-concentration, Baoji city had received no important projects from the central ministries and provincial governments, and only several plants were expanded.¹¹⁷ What were active in this period were the municipal government and the

economic sectors managed by it.

According to the directive of the provincial government that was issued in the Planning Meeting of Shaanxi Province in February 1970, was to establish the integrated and entire small industrial systems of the agricultural industry, light industry, basic industry, and defense industry for the “self-reliance” and “self-sufficiency”,¹¹⁸ the Baoji Municipal Government and its county governments focused on the “five small industries”, small defense industry, and small electronic industry.¹¹⁹ Due to the expanded administrative powers in the decentralization of this period, the municipal government developed these small industries quickly. In 1970 alone, the municipal government and its county governments established 61 small industrial plants by using native technology and mobilizing the masses and existing enterprises. Many of new small machinery and electronic plants served the defense needs, and more than 50 civilian plants in Baoji Municipality were re-tooled. In Baoji city, for example, the Baoji Fire-fighting Equipment Plant of the Public Security Ministry began to produce oil tanks for aircraft on an expanded scale, and the Baoji Meter Plant began to produce anti-aircraft guns.¹²⁰ The production value of the industrial enterprises managed by the municipal and county governments in Baoji Municipality increased by over 20% every year during 1969-72, and even reached 41.8% in 1970.¹²¹

But the new principle of industrial location put most small plants in places around Baoji city for the sake of security. For example, small machinery plants that served agricultural needs that could also shift to defense production, were concentrated in Xiangong town to the north of Baoji city, the military hinterland of Baoji Municipality. In Baoji city, the main projects of the municipal government and the district governments were four small machinery plants that served the large-sized Shaanxi Automobile Plant (producing military cars) and its complimentary projects that were built in 1972,¹²² one small steel plant, one cement plant,¹²³ and three small electronic plants.¹²⁴ In light industry, seven small factories with 850 workers were established by merging and expanding existing collective handicraft organizations and street enterprises: four small factories made consumptive goods (glass, shoes,

weighing appliances, paper boxes), one machinery plant of light industry, two textile factories (see Appendix 7).¹²⁵

The establishment of these small state-owned plants managed by the municipal government still relied on the support of the existing plants. For example, the Qinling Electronic Pipe Plant was established by the Baoji Bulb Plant in 1970, and the Baoji Third Wireless Electronic Plants was upgraded from the collective Baoji Metal Bulletin Plant in 1971 respectively.¹²⁶ During 1972-75, about 40 street enterprises in Baoji city were merged into new small state-owned enterprises, with only seven others not included.¹²⁷ In 1973, the Shaanxi Machine-tool Plant transferred 25 skilled workers to several small new plants to strengthen their skilled workforces (the Baoji Agricultural Machinery Plant, the Engine Component Plant, the Electric Line Plant, the Powder Metallurgy Plant, and the Electromotor Plant managed by the Baoji Revolutionary Committee).¹²⁸

During this period, the remaining collective enterprises, especially the street enterprises, still developed quite well. Even though many street enterprises were merged into small state-owned industrial plants, Baoji city still had 12 enterprises with 385 workers in total in 1976.¹²⁹ After 1972, what was different from before was that the street enterprises in Baoji city centered on the production of consumptive goods, such as desks, chairs, boxes, pots, etc., after the government began to emphasize light industry. The huge demand for consumptive goods but the long-time neglect of their production by the government, meant that these street enterprises found that their products were welcome and profitable.¹³⁰ But just as before, no changes happened to these collective enterprises in their structurally lower status in the economic work unit hierarchy in the economic system. They still faced the discriminatory treatment of the government in material supply, labor use, investment, and so on.¹³¹ What they could hope for was that some of them were lucky enough to get a chance to change their collective identity and be upgraded into small state-owned enterprises.

The government policy to realize economic self-sufficiency and to strengthen the economic relationships between enterprises within one place also influenced the urban

industry of Baoji city. Even though this policy further segmentated the national economy,¹³² from the view of Baoji city this policy indeed made the resource allocation and circulation more flexible and rational than before, and strengthened the connections among enterprises in the same place or area. This point was particularly clear in material supply and circulation. With more industrial materials and products being produced locally, not only was it unnecessary for the enterprises with direct supply by the central ministries to apply for what they needed from their ministries and wait for delivery from other areas or provinces, but also the small industrial enterprises, especially those collective enterprises, who often faced the lack of materials before, could easily get much of what they required. At the same time, this policy made many large and medium-sized enterprises of the central ministries, especially those defense enterprises, shift their coordinating partners from enterprises in other provinces and regions to local enterprises. This directly led to the establishment of many small manufacturers to serve the industrial needs of these large enterprises.

But the positive effects of this economic self-sufficiency were very limited. The emergence of these large and medium-sized enterprises in Baoji city were not the result of local economic needs, but from the regional policy of the central government. The economic connections of these enterprises with the local economy in material, equipment, labor, capital, marketing, etc., were not strong. And because of the relatively backward industrial level of Baoji city in comparison to the cities in the coastal regions, the small industrial plants in Baoji city and other cities of Shaanxi province produced only some simple products that these large and medium-sized enterprises needed. Other complex and precise products needed by these enterprises mainly relied on their importation from the advanced industrial bases in the coastal regions.

The economic work unit hierarchy based on the differences among enterprises in material and labor supply and other economic aspects did not change. The small collective enterprises managed by the grassroots governments still stayed at the bottom of this hierarchy, because their materials and equipment and their products

were never guaranteed by the government's plan of supply and marketing. For example, the street enterprises often lacked power and had to pay higher prices than other state-owned enterprise for power use because the management organs of urban power supplies did not regard them as productive work units. In labor employment, the street industry also had to recruit those disabled and unqualified workers, or the urban unemployed without skills.¹³³

C. The Cultural Revolution and Baoji city during 1966-76

The years between 1966-76 were also the period of the Cultural Revolution in which many important political and social events happened. As a political campaign, this Cultural Revolution was thought by scholars like Peter Ness and Satish Raichur to have limited and short-termed influences on the national economy.¹³⁴ After the examination on the model of economic planning and administration, Peter Lee also found the period of the Cultural Revolution did not have many differences with the previous period.¹³⁵ Donnithorne who observed in 1972 the economic situation of China since 1966, found that one thing special in this period was the gradual growth of economic self-sufficiency based on regions and areas due to weakened government control (we discussed that this economic self-sufficiency in fact was encouraged by the central government for the construction of the "third front").¹³⁶

This viewpoint held by the western scholars was echoed by the former Vice Premier Po Yipo in a latent way. Po admitted after 1967 and 1968 when the national industrial production decreased by 13.8% and 5% that the industrial production quickly recovered with the establishment of "revolutionary committees 革命委员会" in all administrative levels in 1968, even though he partly attributed this quick production recovery to the political consciousness of cadres and workers. Agricultural production decreased a little in 1968, but was caused by natural disasters. Po acknowledged that the most severe problems of the national economy that emerged in the following years, were mostly caused by the construction of "third front".¹³⁷

Considering the above attitudes, we must ask how did the Cultural Revolution affect Baoji city? The process of the Cultural Revolution in Baoji city was influenced

by two cities, Xi'an and Shanghai. After the central government decided to launch the Cultural Revolution nationwide in May 16, 1966, no workers and students in Baoji city rebelled because the prefectural and municipal governments quickly acted to take the mass campaign under the government's control, and to shift the attacking target of the masses to the rightists and the old "exploitative classes" according to the directives of the provincial government and the Northwestern Bureau. When the students of the higher educational institutions in Xi'an city began to rebel and attack the Northwestern Bureau and the provincial government in August 1966, and then many of them went to Baoji city to mobilize the masses, the students of the middle schools in Baoji city decided to rebel. In August 17, 1966, hundreds of student rebels began to move and circled the official building of Baoji Municipal Government, but the municipal government had already prepared for this and mobilized thousands of workers and masses to encircle these students, and beat and arrested some of them. Under the pressure from the central government, the provincial government investigated this event and asked the municipal government to apologize and compensate the student rebels. But the provincial government did not punish the responsible leaders of the municipal and prefectural governments but only adjusted their administrative positions a little.¹³⁸

After this event, the workers in Baoji city were involved in the political campaigns of the Cultural Revolution. On the evening of January 11, 1967, when the in-migrated workers of the relocated Baoji Meter Plant by telephone knew from their workmates in Shanghai that the Shanghai workers rebelled and seized the management of the enterprises and the municipal government, some worker rebels in this enterprise at once on January 12, attacked the plant's leaders and replaced the Party Committee by establishing the Temporary Committee of the Cultural Revolution. This action was quickly followed by the worker rebels in other enterprises. These rebels met their first challenge in March, when the PLA also was involved in the Cultural Revolution and sent their cadres to the enterprises to support the Cultural Revolution. The PLA cadres objected to the rebels, and the municipal government also began to counterattack and arrested leaders of the rebels in Baoji Municipality.

But after the Central Committee of the CCP and its Military Committee directed that the PLA should support the rebels in April and June, the leaders of the rebels were released and the rebels resumed their powers.¹³⁹ During this process, the conflicts between the workers with different political views became more and more serious, and several large-scale armed conflicts broke out in Baoji city and surrounding places during late 1967 and early 1968, and dozens of people died and hundreds were wounded.¹⁴⁰

This workers' involvement in the Cultural Revolution, the collapse of the management organs of the enterprises and the government, and the outbreak of armed conflicts among different factions of workers during 1967-8 in the places around Baoji city – all of these influenced the urban economy of Baoji city. The value of industrial production in Baoji Municipality decreased from 469.09 million yuan in 1966 to 400.28 million yuan in 1967, and then to 303.12 million yuan in 1968.¹⁴¹ The value of industrial production in Baoji Prefecture in 1967 decreased by 15%, and then by 24% in 1968.¹⁴² Among 201 enterprises managed by the central, provincial and municipal governments, only 68 were still in production in March of 1968.¹⁴³

The central government quickly noticed the harm of the Cultural Revolution on economy in 1967 and took measures to solve the problems. In order to recover the management organs, many bottom and middle-levels cadres who were “beaten down 打倒” were “liberated 解放” and got back their jobs in the form of “three (cadre, mass, army) integration 三结合”, and by June, 1969, 80% of old cadres who were beat down in politics were liberated and soon back on the job.¹⁴⁴ To mobilize the workers to go to work and to reduce in-fighting and the contradictions among workers, the central government also called the rebels and their opposite workers to “engage in the revolution and at the same time promote production 抓革命 促生产”. The government especially focused on the production recovery of those important defense and heavy industrial projects. For example, in the beginning of 1968, the Third Machine-building Industry Ministry had a meeting in Beijing and commanded two opposite worker organizations of Baocheng Meter Plant, one of the largest meter plants for aviation, to coordinate with each other and to resume production as much as

possible. In late 1968, the Defense Industry Committee of the central government held a large meeting for all important defense plants. In this meeting, the central government commanded that opposing worker groups of these plants should coordinate and cooperate with each other and concentrate on production.¹⁴⁵

These policies indeed worked, and in 1969 the production of all kinds of enterprises were recovered with the establishment of the “revolutionary committees” in enterprises and governments. The value of industrial production in Baoji city increased to 591.86 million yuan in 1969, higher than in 1966 (469.09 million yuan).¹⁴⁶ The value of industrial production in Baoji Prefecture also recovered and increased by 26% over 1966.¹⁴⁷ But it was said by the CCP government that some bad effects of the Cultural Revolution still continued after that. The most important one was the low productivity and product quality that were attributed to the paralysis of the industrial management system, because the cadres and the workers lost their initiations in production when the rebels criticized the concentration on production as being rightist. Thus, after 1969 the government began to reestablish the rational industrial management system and launched a series of mass campaigns to improve the productivity and product quality.¹⁴⁸

Afterward, the political campaigns after 1969, such as the “Criticize Lin (Biao) and Criticize Confucius 批林批孔” in the beginning of 1974 and others in 1975-6, also harmed the urban economy of Baoji city, but for a very short time, because the experienced government quickly implemented rescuing policies.

Furthermore, the radicalism of the Cultural Revolution had some influence on the urban commerce of Baoji city, when the government found that the cooperative commercial enterprises were often more profitable than those that were state-owned. Responding to this situation, Baoji Municipal Government restructured the government organs responsible for the urban finance and commerce by merging 25 state-owned commercial companies into three offices, and merging several grain and oil supply stations. The municipal government also re-organized the network of urban commerce, and handed many commercial shops and supply depots near large-size enterprises over to these enterprises (the workers of these shops and depots were

replaced by the workers of these plants). Furthermore, the municipal government dismissed all kinds of collective urban commercial organizations to guarantee the profits of state-owned commercial organs, and used the discriminative taxation policy to limit collective and private commercial shops.¹⁴⁹ This discrimination towards the collective enterprises was not unique in this period, because we already saw that it happened before, and similarly it also happened on the service teams in Baoji city in the early 1960s.

III. Urban society of Baoji city from 1965 to 1976

A. The labor in-migration during 1965-76

The large-scale construction of the “third front” in the interior and the methods of industrial expansion of the “old plants supporting new plants” led to another huge influx of skilled labor from the areas in the “first” and “second fronts” in eastern China to the national “third front” during 1965-76. Nationwide, it was said 145,000 skilled workers moved from eastern China to the “third front” from the end of 1964 to 1971.¹⁵⁰ In 1965 alone, 22,000 skilled builders from Beijing, Hebei and other provinces in eastern China flowed into the southwest and northwest to support the construction of the ‘third front’, and finally about 15,000 of them stayed in these two regions with their families.¹⁵¹ In Shaanxi province, even though without exact numbers about these in-migrants, it was said that during the 1965-76 at least 200,000 technicians, managers, and skilled workers in-migrated from the northeastern and coastal areas.¹⁵² If we add the families of these in-migrated skilled laborers (because many family members finally became all kinds of workers through the policies of “children replacement” and “recruitment from insider”), this number of inter-regional in-migrated labor should be higher.¹⁵³ At the same time, many unskilled young workers but with high literacy also came to Shaanxi province. In 1971, the Shaanxi Provincial Government recruited 3,000 young laborers with high literacy in Shanghai as new workers.¹⁵⁴

The Baoji Prefecture and Municipality as one important area of the national

“third front” also received many in-migrants from eastern China (the “first” and “second fronts”). In the machinery industry that developed quickly in Baoji Prefecture, it was said that 5,980 skilled employees in-migrated into Baoji Prefecture accounting for 30% of the total number of employees in this industry in this Prefecture.¹⁵⁵ At the climax of the industrial relocation in 1965, at least 2,362 skilled workers and demobilized servicemen in-migrated into Baoji city from eastern China as the employees of the enterprises of the Railroad Ministry and the Chemical Ministry in Baoji city and surrounding towns.¹⁵⁶ From Appendix 9, we learnt that the relocation of industrial plants at least caused 5,549 employees relocated into Baoji city during 1965-9, while from Appendix 6 we found that in this period the number of employees in the industrial sector of Baoji Municipality (Baoji city and its suburbs) only increased by 6,024. At the same time, the expansion of existing enterprises also contributed to this in-migration. For example, the expansion of the Baoji Petroleum Machinery Plant absorbed 100 skilled workers from Beijing,¹⁵⁷ and the Baoji Fire-fighting Equipment Plant expanded with the in-migration of dozens of skilled staff and workers from related plants in Shanghai and Tianjin.¹⁵⁸ The development of the Baoji Power Station in the latter part of the 1960s brought in 121 graduates from higher educational institutions from such cities as Wuhan, Nanjing, Shanghai, Xi'an.¹⁵⁹ Labor migration in the construction trade was more frequent. In 1965-66, at least 6,000 construction workers from Beijing and other cities of the North and the Northeast, came to Baoji city for the construction of the Baoji Non-Ferrous Metal Processing Plant. According Mr. Zhou, the Party Secretary of one division of this plant, many of these construction workers and their families stayed in Baoji city after the completion of this construction.¹⁶⁰ Because we had no number about the skilled and specialized in-migrants in other economic sectors and the families of these in-migrants, we cannot estimate the total number of the in-migrants caused by the construction of the “third front” in Baoji city. But I thought this number should be considerable high.

The labor flow between city and rural places in this period was frequent and large-scale but was often short term, because of the social and political campaigns of

the Cultural Revolution.

The “socialist education 社会主义教育” campaign that started before 1965 and continued through this period mobilized many cadres and staff of the government and non-productive institutes in urban areas to work in rural areas for short terms. But it was dwarfed by the huge flow of urban labor to rural places in the campaign of sending “intellectual youth 知识青年” “up to the mountains and down to the villages”, which started on a large scale in Shaanxi from 1968 when the students and graduates of secondary schools in 1966-8 could not study or find jobs because of the national chaos and the limited labor employment of the capital-intensive orientated economic development during 1965-69. By 1972, 110,000 graduates of secondary schools in Shaanxi were sent to rural places, and 24,000 of them were mobilized to construct the Xiangyu Railroad 襄渝铁路 between Xiangfan city of Hubei province and Chongqing city of Sichuan province. By 1979, the total number of these dispatched intellectual youths amounted to 490,000.¹⁶¹ In Baoji Prefecture (after 1971 Baoji Prefecture merged into Baoji Municipality), about 81,623 urban youths were sent “down to the villages” during 1968-77.¹⁶²

At the same time, the scale of labor flow from the rural to urban areas gradually increased. Before 1970, certain numbers of rural laborers (some of them were the workers dismissed in the urban population reduction during 1961-3) flowed into urban areas as the temporary workers without permanent urban residency. In 1970, most of these temporary workers with rural residency were transformed into formal workers with permanent urban residency (all these will be discussed in the urban employment part that follows).¹⁶³ Another important labor stream from rural to urban areas was the urban intellectual youths sent “down to the fields” who came back to urban areas, which was initiated by the large-scale urban recruitment program especially for these youths since 1970 (which paused during 1973-74). Of 49,905 new employed urban workers in 1970-2 in Baoji Prefecture, besides 9,164 graduates of middle schools and 8,741 demobilized servicemen and other unemployed laborers in urban areas, another 13,750 were intellectual youth sent “down to the fields”, and the other 17,504 new workers came from rural areas.¹⁶⁴ By 1981, except for 165 urban youths who wanted

to stay in rural areas, most of the 81,623 intellectual youths sent “down to the villages” in Baoji Prefecture came back to urban areas through all kinds of channels like joining the PLA, entering the higher educational institutions, urban recruitment, and so on.¹⁶⁵

B. Urban employment in Baoji city during 1965-76

Many important policies of urban employment that were implemented before 1965 still continued in this period.

The employment policies about the graduates of higher and middle specialized educational institutions and demobilized servicemen were not changed.¹⁶⁶ The government still allocated jobs to these graduates. Because of the personnel needs of the construction of the “third front”, many of these graduates worked in the important projects of the “third front”.¹⁶⁷ The arrival of these graduates, along with the in-migrated specialized laborers, increased the number of the scientists and researchers 科研人员 in Baoji Municipality from about 3,040 in 1962 to about 7,600 in 1978. In Baoji Municipality, above 90% of these researchers were concentrated in the large and medium-sized enterprises managed by the central and the provincial governments, and 71.6% of them worked in the machinery, electric and electronic industries. But ironically, the wages of these researchers were even lower than the ordinary workers of the same working ages. The monthly salaries of those researchers employed during 1960-6 and during 1966-70 were generally lower by 3% and 10% than the workers with the same working ages respectively.¹⁶⁸

The demobilized servicemen still had the priority in labor recruitment during this period. What's more, because the popular view that the demobilized servicemen generally had high-level political loyalty and good discipline, these ex-servicemen were welcomed by all kinds of organizations.¹⁶⁹ Many enterprises directly contacted and recruited military cadres who would be demobilized as cadres even without the permission of the labor organs of the provincial government.¹⁷⁰ In 1966 when the provincial government tightened the labor recruitment in urban areas, 5,000 demobilized servicemen in Shaanxi province were recruited as new urban workers,

and they accounted for a 30% increase in the number of employees of the state-owned organizations in Shaanxi in that year.¹⁷¹ In Baoji Municipality, 2,100 demobilized soldiers in 1968 were all recruited as urban workers.¹⁷² Mr. Zhou, now the Party Secretary of one division of the Baoji Non-Ferrous Processing Plant, once was a military cadre and served in Sichuan province. He said many of his mates were collectively demobilized as cadres of large-size defense factories of the ‘third front’ in mountainous areas of Sichuan province. He went to the Baoji Non-Ferrous Factory only because his wife worked in this factory.¹⁷³ Besides this normal demobilization, many military cadres directly became local cadres after 1967 when the central government and the army decided to send military cadres to “support leftists 支左” in the political struggles among workers in 1967-8.¹⁷⁴

From 1965 to the middle of the 1980s, the employment policies of the “recruitment from insider” and “children replacement” always played important roles in urban employment. The “children replacement” first was implemented only in some special industries such as timber, mineral, textile, and defense enterprises, but gradually was expanded to other industries on a large-scale, and finally stopped in the early 1980s. Comparably, the “recruitment from insider” was always popularly implemented during 1965-76, and even used today but in a more concealed way. For example, in 1965 ostensibly the Shaanxi Twelfth Mill recruited 250 temporary workers from urban areas of Baoji Municipality. But in reality most of these new workers were from the families of old employees of this mill.¹⁷⁵ Mr. Huang, one interviewee who retired from this mill, told me that this mill used this “recruitment from insider” many times during 1965-76. His wife, who was jobless since 1949 and failed several times in this kind of “recruitment from insiders” in the 1960s due to her illiteracy, was recruited as a temporary worker in 1970.¹⁷⁶ Other examples included the recruitment of 37 employees’ offspring as formal workers and 16 employees’ spouses as temporary workers by the relocated Qinchuan Machine-tool Plant in 1965,¹⁷⁷ the recruitment of 64 employees’ families by the relocated Baoji Forklift Plant and Baoji Standard Component Plant as formal workers in 1965 and 1973,¹⁷⁸ and the recruitment of 50 employees’ offspring by the enterprises of Xi’an Railroad

Bureau in 1965,¹⁷⁹ and so on.¹⁸⁰ In 1972, defense enterprises in Baoji Municipality offered 241 formal jobs and some temporary jobs to their employees' families.¹⁸¹ In the case of the Baocheng Meter Plant, from among its 604 employees' descendants who were sent "down to the villages" during 1974-78 as educated youths, most of them were recruited as formal workers of this plant while some others joined the army or were enrolled by other plants.¹⁸² The Shaanxi Twelfth Mill recruited all 354 children of its employees who were intellectual youth as the new workers for its factory.¹⁸³ Mr. Zhou who worked in the Baoji Non-Ferrous Processing Plant said this plant recruited all qualified offspring of workers as new workers of this plant.¹⁸⁴ Furthermore, the establishment of small complimentary enterprises, service teams, small "family members plants 家属工厂" by some large and medium-sized enterprises could also seen as a derivation of the "recruitment from the insider". The most important function of these small enterprises was to offer jobs to the family members of the employees of these large enterprises.¹⁸⁵ These two methods were also used in collective enterprises to permit the old skilled workers to teach skills and transfer their jobs to their offspring.¹⁸⁶

The widespread use of these two institutions could be seen as the compromise of the old workers with the government and enterprises. The capital-intensive defense and heavy industry of the "third front" could only absorb very limited urban labor, and thus the rate of urban unemployment was up. Faced with this and the low living conditions of urban workers, these two policies not only lessened the economic burden of old employees of these plants, but also encouraged the unqualified old workers to retire.

During this period, there had also been some important changes in urban employment. We already said that in the decentralization after 1970 the Baoji Municipal Government won the rights to supervise the labor plan of and recruit new workers for all kinds of enterprises.¹⁸⁷ This change made the labor employment became an arena in which the municipal government bargained with the enterprises of the central ministries. The example of this we will see in next section.

At the same time, temporary workers were used widely during this period. Only

in 1965, the enterprises in the Baoji Municipality recruited 2,770 temporary workers from urban and rural residents.¹⁸⁸ These temporary workers became one important source of the formal workers of enterprises. Not only the institution of “recruitment from insider” transformed many employees’ families from temporary workers into formal workers,¹⁸⁹ but also the radicalist critiques of the rebels on the use of temporary workers as the exploitation on these workers for their low wages and welfares forced the government to transform most temporary workers into formal workers in 1970. In the Qinchuan Machine-tool Plant and the Shaanxi Twelfth Mill, 97 and 100 temporary workers with rural residency were transformed to formal workers with urban residency respectively.¹⁹⁰ In Baoji Prefecture, 15,930 temporary workers (87.8% of all temporary workers in that time) were re-designated as formal workers.¹⁹¹ Overall, in this year in Shaanxi province, 180,000 temporary workers, rotation workers, and contract worker were transformed into formal workers (some of them were the family members of the old urban employees already with urban residency).¹⁹²

According to the above description, the sources of new urban employees in Baoji city did not change much in this period. From Appendix 5, we can see that many new employees in Baoji Municipality during 1965-9 got their jobs by ways other than recruitment. Two sources were the demobilized servicemen and the graduates from higher and middle educational institutions. The method of industrial expansion of “the old plants supporting new plants” and the “dividing one into two” also meant many new urban employees in Baoji city were the in-migrated specialized and skilled laborers of cities in eastern China. As far as newly recruited employees were concerned, because of the special needs for skilled labor by important projects of the “third front”, Shaanxi province and Baoji city had to import many qualified workers from other places, especially from eastern China the same as was done in the FFYP. For example, the Linyun Wireless Equipment Plant of the Fourth Machine-building Industry Ministry recruited 200 young workers with relatively high literacy from Shanghai at the end of 1964. We have already mentioned that in 1971 the provincial government recruited 3,000 young workers with high literacy from

Shanghai for important enterprises in Shaanxi.¹⁹³ At the same time, the children and spouses of old employees of all kinds of enterprises were composed of another important source of the recruited urban employees because of the “children replacement” and “recruitment from insiders” policies.

What was different was that some skilled rural laborers became one source of urban employment during this period. The recruitment of those workers who were sent back to rural places during the urban population reduction in 1961-63 continued until the end of the 1970s, and in Shaanxi about 260,000 reduced workers were called back from 1964 to 1981.¹⁹⁴ In addition, many skilled temporary workers with rural residency were also transformed into formal workers with urban residency. After 1970, the intellectual youth who were sent “down to the villages” became the main source from which the government recruited its urban employees from rural places.¹⁹⁵

But we must keep in mind the difference between labor sources of the state-owned and collective enterprises. After 1966, it was said that except for the families of old workers, the collective enterprises had to only recruit “contract workers” (a type of temporary workers) from the families of servicemen, children of ‘revolutionary martyrs’, and people who lost their jobs for all kinds of reasons. In this way, besides its main role in production, the collective enterprises also had the functions of relieving the urban poor and re-educating those with many problems.¹⁹⁶

Serious urban unemployment in Baoji city since the end of the Great Leap Forward still continued during 1965-9, because of the limited labor absorption of the capital-intensive industrial development during 1965-69, the special method of industrial expansion that imported needed skilled labor from coastal regions, and the cautious attitude of the government towards the labor recruitment following the experiences of the GLF. At the climax of the construction of the “third front” in 1965, Baoji city still had about 4,600 urban laborers who could not find jobs.¹⁹⁷ The campaign of sending intellectual youths “up to the mountains and down to the villages” that was launched on a large-scale at the end of the 1960s, and the construction of the small “third fronts” started in the same period, dramatically reduced the pressure on urban employment. But when the “three breakthroughs”

emerged and many new workers were dismissed, and the intellectual youths began to go back to urban areas in the early 1970s, the urban unemployment became worse in the late 1970s.

C. Social stratification in Baoji city in this period

The structure of social stratification in Baoji city was just like before. The vertical dimension of social stratification downward from cadres to workers did not change much even in the so-called radical period of the Cultural Revolution, and the superiority of “cadre” to “worker” in economic income, social welfare, or social prestige was stable. According to the descriptions of three interviewees who were cadres and lost their posts and authority in management in the early Cultural Revolution, they still were “cadres”, and their salary, bonus, and social welfare, etc., were still the same as before. And until 1969, 74.8% and above 80% of the middle and high-levels cadres in Baoji Prefectural and Municipal Governments who were “beaten down 打倒” quickly regained their posts and authority, because of the decision of the central government to ‘liberate’ cadres.¹⁹⁸ Most cadres and intellectuals in enterprises were also ‘liberated’, and re-appointed to their original posts and authorities.¹⁹⁹ In defense plants, about 96.1% of cadres whose titles were higher than the “heads of offices 科级” recovered their jobs and positions by the middle of 1972.²⁰⁰ On the other hand, according to the memory of Mr. Huang, the active rebels 造反派 still kept their identity as workers and did what other ordinary workers did in production and were treated as other workers in salary and in social welfare, except some of them were appointed as cadres.²⁰¹ What these ordinary rebels had won might have been only a loose form of industrial management. Of course, a certain number of rebels who once were workers, now got the chance to climb up the social/political ladder as cadres, and even some famous ones became the leaders of Baoji Municipality. Considering this, the Cultural Revolution and its political campaigns did not influence the vertical social structure based on political identity, but only broadened the upward social mobility channel for ordinary workers, at the cost of some old cadres.

The role of the work unit system in deciding the horizontal social stratification

became more and more important. In the urban work unit system, the divisions and differences between governmental organs, non-productive institutes and enterprises were still solid. Within productive enterprises, the differences in the wage systems among enterprises based on their importance in production and their position in the economic work unit hierarchy was not touched during this period.²⁰² An interviewee Mr. Zhang, who once worked in the Baoji Forklift Plant that was relocated to Baoji city from Dalian city of Liaoning province and devolved to Baoji Municipal Government in the early 1970s, said this plant belonged to the second-level machinery plant because of its importance in the national production of the forklift, and the workers of this plant enjoyed higher wage levels than other machinery plants managed by the Baoji Municipal Government. What's more – perhaps a compensation of the government – the wages paid for those in-migrated employees of this plant were kept as before their in-migration; even though the living index in Baoji city was far lower than Dalian city.²⁰³ The condition in the relocated Qinchuan Machine-tool Plant was the same. Its in-migrated employees still earned the same wages according to the wage system of its mother plant, the Shanghai Machinery Plant, and many of them still kept their special bonus and subsidy in Shanghai.²⁰⁴ This phenomenon seemed to be quite widespread, because the Head of the Labor Ministry of the central government Ma Wenrui recalled that to keep the wages of the workers who migrated to the areas of the “third front” the same as before the in-migration, was an important policy of the central government for mobilization.²⁰⁵

Only after 1966, when all jointly-managed enterprises (many were large and medium-sized enterprises) were transformed into state-owned enterprises and the collective enterprises were generally small and less-mechanized, did the ownership of the enterprises directly symbolize the position of enterprises in the economic work unit hierarchy, and the social status of the employees in the social work unit system. In general, employees of the state-owned enterprises generally had better economic income and welfare than employees of collective enterprises.²⁰⁶ In 1965, 1970, and 1975, the average yearly wage of employees of state-owned enterprises was 663, 557, and 589 yuan respectively, but the average yearly wage of employees of the collective

enterprises was only 486, 487 and 450 yuan respectively.²⁰⁷ This wage difference was man-made and deliberately fixed by the government, which was best illustrated in the wage system of the collective “service teams”. At first the collective “service teams” paid their members according to their revenues. Because of the low investment of the government in urban commerce, service, and construction, these teams were very welcome and made profits, and paid their employees higher wages than ordinary workers of other collective enterprises, even more than the state-owned enterprises. The municipal government reacted quickly to stop this phenomenon. Service teams were reorganized, and their skilled labor were merged into existing collective or state-owned enterprises, and it was decided by the government that the wage system of these teams must be lower than other collective enterprises and equal to the wage level of street enterprises.²⁰⁸ The collective “five small industries” were established during this period by merging street enterprises, and the wage system criteria for these collective small industries were lower than the state-owned “five small industries” according to the government’s order.²⁰⁹

One important aspect of this social work unit system was the difference in the welfare benefits that enterprises offered to their employees. This point was very important in understanding the social differences during this period for two reasons. Firstly, according to the observation of Luigi Tomba, since the 1960s the workers and their families only relied partly on the monetary wages, while they were dependent heavily on the supply of various social welfares by the work units.²¹⁰ Secondly, urban commerce, service, and public facilities during this period were underdeveloped because of the lack of investment by government. This situation meant the welfare offered by the work units became very important to the living conditions of employees and to the social status of urban employees. From Appendix 10, we can see that in the most developed machinery industry in Baoji city, the state-owned enterprises could offer all kinds of better social welfare, like living accommodations, kindergartens, schools, clinics, bathrooms, canteens, and so on, for their employees compared to what the collective enterprises offered. It was not surprising to find that the large and medium-sized important plants also did better in this aspect than other

plants.

It seemed that this difference in social welfare was partly decided by the administrative jurisdictions of enterprises, because the construction of welfare facilities of the enterprises needed the permission and investment from the ministries, provincial and municipal governments that managed them. From the case of the relocated Qinchuan Machine-tool Plant and another large-sized Shaanxi Automobile Plant, we find that during the construction of production facilities, the related central ministries already considered and constructed living facilities for these two enterprises in one place. The construction of other welfare facilities also were permitted and invested in by the central ministries. Even during the relocation of the Qinchuan Machine-tool Plant, some service workers were also sent to Baoji city by the government to serve the living needs of in-migrated employees.²¹¹ For several large and medium-sized enterprises of the Fourth Machine-building Industry Ministry concentrated in the south of Baoji city, the Ministry established a hospital especially for its enterprises in Baoji city.²¹² But for those enterprises managed by the municipal and county governments, their applications for the construction of these welfare facilities were often not approved because of the limited fiscal powers and resources that the grassroots governments had. For example, because there was no school nearby, the relocated Baoji Bulb Plant once in 1967 applied to the municipal government to establish a primary school for the children of its in-migrated employees. This application was refused by the Baoji Machinery Company (final the Machinery Bureau), for this Bulb Plant had no qualified teachers, and this Bureau had no money to fund the school.²¹³ The situation of the collective enterprises was worse. Their employees could not enjoy the socialized medicine, labor insurance, etc., like the employees of the state-owned enterprises.²¹⁴

Even during the campaign of “going down to the villages”, this work unit system also had shown its power. The Second Industrial Office of Baoji Municipality, which especially dealt with the affairs of the defense plants in Baoji Prefecture, established the Intellectual Office to manage the “down to the villages” movement of the offspring of the defense plants’ employees. With the arrangement of this office, these

young people were generally sent down to a fixed “station for intellectual youth 知青点”, and were taken care of by special cadres who were sent down together with these youths.²¹⁵ In the case of the Qinchuan Machine-tool Plant and the Baocheng Meter Plant, these two plants organized the parents to see their children frequently, and also arranged specialized persons to deal with any problems that these intellectual youth had.²¹⁶ With these supports from parents’ enterprises, we can imagine that these youth often had better lives in their ‘sending down to the field’ than others. Of course, this can be regarded as the result of the bargaining process between enterprises and related governmental organs, and with related officials.

It is clear that the special methods of industrial expansion and the construction of the ‘third front’ indeed upgraded the status of many collective enterprises in the work unit hierarchy because these collective enterprises managed by the district governments were merged and upgraded as small state-owned enterprises managed by the municipal government. This change also increased the income, the welfare, and prestige of their employees. But the structure of this work unit economic hierarchy and social system remained the same.

With the above analyses about urban social stratification based on the work unit system in Baoji city, a related question may be: during this period, who could become the employees of the work units with higher status in the work unit system? From the description of the industrial relocation we knew that the first group was new in-migrants of these relocated enterprises. The second group was the family members of the employees of the work units with better status in the work unit system due to the employment policies of the “children replacement” and “recruitment from insider”. The third group was the demobilized servicemen and graduates from the higher and middle educational institutions. The fourth was the people who once worked in these enterprises but were dismissed in the urban population reduction during 1961-3, plus some temporary workers from rural places who got lucky thanks to the radicalism of the Cultural Revolution. All these can be illustrated in the following concrete examples.

The Lingyun Machinery Plant of The Fourth Machine-building Industry Ministry,

a defense plant of the 156 key projects of the FFYP, was built during 1960-64 by the No. 723 Plant in Changchun city of Jinlin Province in the form of “old plants supporting new plants”. The backbone of this plant, 551 skilled workers, technicians and managers, all came from cities of the northeast of China and Tianjin Municipality. At the same time, the ministry allocated to this plant about 320 demobilized soldiers and dozens of graduates, and recruited 198 young workers from Baoji Prefecture. During the reduction of urban population in 1960-63, 673 newcomers, most of them young workers and demobilized servicemen, were sent back to where they came, and 516 of them went back to rural places.²¹⁷ From 1964 to the end of the Cultural Revolution, besides recruiting 630 demobilized soldiers and 475 graduates, and 200 young workers from Shanghai (in 1964), this plant recruited 234 intellectual youths who were sent down to the fields, and most of them were the offspring of employees of this plant.²¹⁸

In another case, the Qinchuan Machine-tool Plant, a large state-owned enterprise that relocated to Baoji city from Shanghai in 1965, was first composed of 824 employees of the Shanghai Machine-tool Plant. After 1965, it recruited 175 “contract workers” (97 of them finally became formal workers) from Wugong 武功 County of Baoji Prefecture in 1966, 118 formal workers from the northern Shaanxi in 1967, and 576 graduates of higher and middle educational institutions and 65 demobilized servicemen. Besides these, it recruited 37 offspring of its employees as formal workers, and from 1970 to 1976 enrolled 437 intellectual youth sent “down to the fields”. Among these intellectual youth, 236 were offspring of its employees.²¹⁹

To other ordinary people in Baoji city, the chance to enter those better work units was very small, because of the small number of workers these enterprises openly recruited. Appendix 5 showed that during 1965-9 the large and medium-sized enterprises of the ministries and provincial government only openly recruited 1,916 workers, of which certain quotas were already set to hire the family members of the employees of these enterprises and workers dismissed during 1961-3. This scarcity of labor recruitment by these work units with better status created many informal and unequal negotiations and competitions. Mr. An, who was once the official of the

Heavy Industry Bureau of Baoji Municipality in the 1970s, said that when the government decided the urban recruitment mainly targeted the “down to the villages” intellectual youths at the beginning of the 1970s, the bargaining between the enterprises and the managing governmental organs began. Every time the plants managed by this Bureau applied to recruit the offspring of their workers as new workers, this Bureau often asked these enterprises to recruit other intellectual youths at the same time to finish the plan the government made. During this process, Mr. An – like many his officemates – was successful in persuading two plants with relatively better conditions managed by this bureau to recruit as new workers his two sons who were sent “down to the villages” intellectual youths. Another interviewer, Ms. Wu said that her husband, a old cadre and the former head of the Agricultural Machinery Bureau, also managed to arrange for their four children to get good jobs in defense plants and governmental organs.²²⁰

Conclusion

From the end of 1964 onwards, when the PRC’s international security was threatened on several fronts, the CCP government quickly shifted its industrialization strategy to build entire defense and heavy industrial system in the “third front”. This construction clearly meant that the industrial and regional policies of the CCP government still were centered on the defense and heavy industry in the interior. To realize this strategy, the CCP government still used the old measures such as the special industrial expansion of “old plants supporting new plants” and the administrative readjustment to mobilize all kinds of potential elements. All these fundamental characteristics of the CCP’s strategy were not influenced and changed during the chaotic period of the Cultural Revolution that started in 1966. Only when this strategy caused the explosion in urban labor and then the crisis in wage payment and grain supply, and Sino-American interrelationship improved in 1971, did the CCP government begin to gradually adjust its strategy after 1972.

The military consideration in the construction of the “third front” went into an extreme phase and created something different. According to the new principle of

industrial location, important projects, especially those strategic projects, were located in remote places near to and in mountainous areas. At the same time, to prepare for possible war, the central government commanded regions and provinces to establish relatively independent industrial systems to realize economic self-sufficiency. These special orientations of the CCP government not only resulted in the quick development of small industries, but also pushed national economic localism further. It was quite interesting to see that the government once wanted to overcome this localism in the early 1960s to ward off inflation and to narrow inter-regional gaps, but now encouraged it faced with possible war.

With respect to Baoji city, its position in the local economy as the economic center declined a little because of the location of important projects in mountainous areas and the quick development of the “five small industries” of other places around Baoji city. Even though no important defense industry was established, Baoji city still developed quickly in industry that was pushed forward by the relocation of many important projects of heavy industry from eastern China (the first and second fronts) and the establishment of many small industrial plants. We found the industry in Baoji city still developed along its previous trajectory. This development still centered on heavy industry, especially the machinery industry, and was realized by the method of “old plants supporting new plants” for industrial establishment and industrial relocation from eastern China. Although the government still treated different enterprises quite differently in all aspects, the economic work unit hierarchy in Baoji city remained stable. Even though small enterprises developed quickly and played active roles in this period, they were still at the bottom of this hierarchy and received worse material supply, labor use, capital investment, and so on.

In the field of labor migration, some old important policies and phenomena also continued. In this period we see this construction of the “third front” created another large-scale migration of skilled labor from eastern China to the interior. The labor migration from rural to urban areas was strictly controlled, and rural laborers were permitted to work in urban areas only as temporary workers. What was different was a cycling labor flow between urban and rural areas caused by the campaign of

intellectual youths sent "down to the villages".

Labor migration was closely connected with labor employment. The serious urban unemployment that was not lessened by the capital-intensive industrial development made the government send urban youth down to the villages in the early 1970s. But the recruitment policies of "children replacement" and "recruitment from insiders" took many of them back as new workers, as well as the skilled workers who were dismissed back to the rural areas in the early 1960s. These policies, with the special policies towards the demobilized servicemen and graduates from the higher and middle educational institutions, guaranteed the priority of these special groups in urban employment, and then it had important sociological consequences.

The social stratification based on the work unit system was quite stable in this period, even consolidated. Employees were much more dependent on their work units in welfare, when the real economic incomes of urban residents dropped in the 1970s along with the urban construction, commerce and services. Besides this important role of the work unit system in the formation of economic differences, it still greatly influenced the work unit attainment and social mobility. Although the Cultural Revolution looked radical, it never touched this horizontal social stratification based on the work unit system, and also did not change the vertical social structure based on the division of cadres and the masses.

Notes:

- ¹ Baocheng Yibiao Chang Changzhi BianxiezZu, *Baocheng Yibiao Chang Changzhi*, p. 30.
- ² Barry Naughton, "The third front: defense industrialization in the Chinese interior", *The China Quarterly*, No. 115 (Sep., 1988), pp. 369-375.
- ³ "Liu Lantao Tongzhi Zai Xibeiqu Gongye Jiaotong Huiyi Shang De Jianghua (the speech of Liu Lantao, the Head of Northwest Bureau of The Central Committee of The CCP, on the Meeting of Industry and Communication in the Northwest Region) (Dec. 25, 1965 in Xi'an)", Baoji Archives, 1-4-243-14, pp. 52-6.
- ⁴ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, p. 1237; Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, pp. 167-8; Barry Naughton, "The third front: defense industrialization in the Chinese interior", *The China Quarterly*, No. 115 (Sep., 1988), pp. 354, 367; Jean-Claude Berthelemy and Saadet Deger, *Conversion Of Military Industries In China* (Paris Development Center of the Organization for Economic Co-operation and Development, 1995).
- ⁵ Zhonggong Zhongyang Xibei Ju Jianshe Weiyuanhui, Jihua Weiyuanhui, Jingji Weiyuanhui (The Construction Committee, the Planning Committee and the Economic Committee of The Northwest Bureau of The Central Committee of The CCP), "Li Guangren Tongzhi Zai Xi'an Diqu Gongye Xiezuo Peitao Huiyi Shang De Jianghua (the speech of Li Guangren, the Vice Head of the Northwest Bureau, on The Industrial Coordination Meeting of Xi'an) (May. 6 of 1966)", in Baoji Archives, 1-4-261-4, pp. 26-30
- ⁶ Zhang Yongbin 张永斌, 'Shanghai De Xiao Sanxian Jianshe (the construction of small 'third front' of Shanghai)', *Shanghai Dangshi Yu Dangjian (Party's History and Construction in Shanghai)*, No. 4 of 1998, pp. 34-6. One coating plant as the project of small "third front" of Shanghai located in Yichuan 宜春 County of Jiangxi 江西 province. See Xia Tongji 夏同济, "Shanghai Tuliao Gongye Zhiyuan Sanxian Jianshe Huigu (the construction of inland China were fully supported by Shanghai coating industry, a reminiscence)", *Zhongguo Tuliao (China's Coating)*, No. 2 of 1998, pp. 12 and 25.
- ⁷ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, pp. 1236-39.
- ⁸ Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, pp. 158-9.
- ⁹ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, pp. 1235-7, 1245-46.
- ¹⁰ Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 2, pp. 174-5.
- ¹¹ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, pp. 1239-1241; Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, pp. 167-8; Barry Naughton, "The third front: defense industrialization in the Chinese interior", *The China Quarterly*, No. 115 (Sep., 1988).
- ¹² Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, p. 163.

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- ¹³ Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 2, pp. 174-5.
- ¹⁴ Li Ping'an (et al.), *Baixianshi Jingji Shehui Diaocha: Baoji Juan*, p. 199; Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 172, 178-79, 186.
- ¹⁵ Michel Oksenberg and James Tong, "The evolution of central-provincial fiscal relations in China, 1971-84", *The China Quarterly*, No. 125 (Mar. 1991), pp. 8-9.
- ¹⁶ Sun Dongsheng, "Woguo Jingji Jianshe Zhanlue Buju De Da Zhuanbian: Sanxian Jianshe Juece Xingcheng Shulue (The great strategic change of our nation's economic construction: a review on the designation of the 'third front')", *Dang De Wenxian (Documents Of The CCP)*, No. 3 of 1995, p. 45.
- ¹⁷ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, p. 1237-8.
- ¹⁸ Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, pp. 140-1.
- ¹⁹ Baojishi Geming Weiyuanhui Shengchan Zu (The Production Group of The Revolutionary Committee in Baoji Municipality), "Guanyu Woshi Sanxian Jianshe Danwei Jijian Yewu Guikou Lingdao De Tongzhi (the message of the project construction of the third front Baoji Municipality being managed particularly) (Jul. 26, 1970)", in Baoji Archives, 23-1-645-12, p. 44; Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 171-2.
- ²⁰ Baoji Gongren Jiefangjun Maozedong Sixiang Xuanchuandui Di 44 Dui and Baoji Yuan Di Zhuan Jiguan Ganbu Maozedong Sixiang Xuexiban (The Forty-four Team of the Baoji Worker and PLA Propaganda Team of Mao Zedong Thought and The Cadre Study Class of Mao Zedong Thought of Baoji Prefecture Government), *8 Ge Zhuanti Tiaocha Baogao (The Report On The Survey Of Eight Special Issues)* (Baoji: printed in Nov., 1969, unpublished), pp. 60-7.
- ²¹ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 172.
- ²² Guowuyuan Caimao Bangongshi (The Finance and Trade Office of the State Council), "Guanyu Tuiguang Tangshan Diqu Genju Jingji Quyu Zuzhi Shangpin Liutong De Jingyan De Baogao (the report of spreading the experiences of Tangshan area in organizing goods circulation according to economic areas) (approved by the Central Committee of the CCP and the State Council in Jan. 30, 1966)", in Xu Dashen (et al.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 33.
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- ²⁴ Baojishi Jixie Ju (The Machinery Bureau of Baoji Municipality), "Shaanxisheng Jingji Weiyuanhui Guanyu Gaibian Qiye Lishu Guanxi He Gaibian Qiye Mingcheng De Pifu (the reply by the Shaanxi Economic Commission to the change of administrative jurisdiction and name of some enterprises) (Jun. 21, 1966)", in Baoji Archives, 37-4-4-8, p. 49.
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²⁸ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 253.

²⁹ Li Ping'an (et al.), *Baoji Shiqing (The Situation of Baoji Municipality)* (Baoji: 1990, unpublished), chap. 3, p. 14.

³⁰ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 1025, 1239-40.

³¹ Li Ping'an (et al.), *Baoji Shiqing*, chap. 3, p. 14.

³² Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 1047.

³³ Baojishi Huagong Chang Changzhi Bangongshi (The Office of The Historical Records of The Baoji Chemical Plant) (ed.), *Baojishi Huagong Chang Changzhi (Historical Records Of The Baoji Chemical Plant)* (Baoji: 1986, unpublished), p.3.

³⁴ Zhonggong Shaanxi Shengwei, "Guanyu Changshe Jiehe Zutanhui De Qingkuang (the content of the Meeting of The Integration of Plants and People's Communes) (Mar. 1, 1966)", in Baoji Archives, 1-4-261-7, pp. 36-41; Zhonggong Zhongyang Xibei Ju, "Wang Lin Tongzhi Guanyu Xi'nan Sanxian Jianshe Jingyan Gei Xibei Ju Shujichu De Xin (the letter of Comrade Wan Lin to The Secretary Office of Northwest Bureau about the experience of the construction of the 'third front' in Southwest) (Jan. 31, 1966)"; "Xinan Ju Shuji Yan Xiufeng De Fayan: Guanyu Shixing Changshe Jiehe De Chubu Qingkuang He Tihui (The speech of Yan Xiufeng, the Head of The Southwest Bureau of The Central Committee of The CCP: 'The situation of the experiment of integration of plants and People's Communes and my rethinkings) (Feb. 22, 1966)", in Baoji Archives, 1-4-268-1, 2, pp. 1-3, 4-15.

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³⁶ Ibid., pp. 2-8.

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- ³⁸ Zhonggong Baoji Shiwei Caimao Ban'gongshi (The Financial and Commercial Office of the CCP Committee of Baoji Municipality), "Guanyu Woshi 1970 Nian Gongchang Xinzeng Shangye Wangdian Xuyao Renyuan De Baogao (the report of the demanded workers for new increased commercial shops for plants in 1970) (Oct. 25, 1969)", in Baoji Archives, 23-1-591-8, p. 23. Nationwide, the share of nonagricultural employment in service sector dropped from 40% in 1952 to 12.5% by the end of the Cultural Revolution, in Walder, *Communist Neo-Traditionalism: Work And Authority In Chinese Industry*, p. 65
- ³⁹ Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, pp. 5, 31; Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 303; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 578.
- ⁴⁰ Baoji Xiaofang Qicai Zongchang (ed.), *Xiaofangche Gongye Shiliao*, p. 9.
- ⁴¹ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1991), Chart 184-13 and Chart 184-14.
- ⁴² Zhonggong Shaanxi Shengwei Guofang Gongye Weiyuanhui (The Defense Industry Committee of The CCP Committee of Shaanxi Province), "Guanyu Guofang Gongye Qiye Sanlei Wuzi Gongying Qingkuang De Baogao (the report about the supply of the third group of materials to defense plants) (Mar. 7, 1966)", Baoji Archives, 1-4-261-11, p. 61.
- ⁴³ "Liu Lantao Tongzhi Zai Xibeiqu Gongye Jiaotong Huiyi Shang De Jianghua (Dec. 25, 1965 in Xi'an)", in Baoji Archives, 1-4-243-14, p. 55; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 213, 224.
- ⁴⁴ Baojishi Chengshi Jianshe Ju, "Baojishi Chengshi Jianshe Ju 1965 1966 1967 Nian Shengchan Gongzuo Zongjie Baogao (The work conclusion and report of the Urban Construction Bureau in 1965, 1966 and 1967)", in the Archives of Baoji Urban Construction, 5162-26-B12.
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- ⁴⁶ Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, p. 210.
- ⁴⁷ Shaanxisheng Jihua Weiyuanhui Dangzu, Jingji Weiyuanhui Dangzu, and Sanlei Wuzi Guanli Lingdao Xiaozu, "Guanyu Daban Difang Gongye Fazhan Sanlei Wuzi Shengchan De Baogao (Feb. 26, 1966)"; Zhonggong Zhongyang Xibei Ju Jianshe Weiyuanhui, Jihua Weiyuanhui, Jingji Weiyuanhui, "Li Guangren Tongzhi Zai Xi'an Diqu Gongye Xiezuo Peitao Huiyi Shang De Jianghua (May. 6, 1966)"; Zhonggong Shaanxi Shengwei Guofang Gongye Weiyuanhui (The Defense Industry Committee of The CCP Committee of Shaanxi Province), "Guanyu Guofang Qiye Sanlei Wuzi Gongying Qingkuang De Baogao (the report about the supply of the third group

materials to defense plants) (Mar. 7, 1966)", in Baoji Archives, 1-4-261-4, 8, 11, pp. 26-30, 52-3, 61.

⁴⁸ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 184-6.

⁴⁹ Zhonggong Shanxi Shengwei, "Guanyu Baojishi Xingban Di Xiao Qun Jiejue Sanlei Wuzi Shengchan He Yijian De Baogao (the report and suggestion about that the Baoji Municipal Government establishing local industry to produce the third group materials) (Feb. 25, 1966)", in Baoji Archives, 1-4-261-7, pp. 54-5.

⁵⁰ "Liu Lantao Tongzhi Zai Xibeiqu Gongye Jiaotong Huiyi Shang De Jianghua (Dec. 25, 1965 in Xi'an)"; "Wang Lin Tongzhi Zai Xibei Diqu Difang Gongye Qinggongye Zuotanhui Shang De Jianghua Yaodian (the speech of Comrade Wang Lin (the Vice Head of Northwest Bureau of The Central Committee of The CCP) on the Northwest Local Industry and Light Industry Meeting) (Mar. 19, 1965 in Xi'an)", in Baoji Archives, 1-4-243-14, 15, pp. 52-6, 64-66.

⁵¹ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 252. Six machinery plants in Baoji city were: the Baoji Meter Plant, the Baoji Motor Fittings Factory, and the Baoji Pump Plant to serve the needs of defense industry; the Baoji Standard Component Plant, the Baoji Vehicle Factory and the Baoji Agricultural Generator Factory to serve the agricultural needs. Three chemical plants were the Baoji Pesticide Plant, the Baoji Chemical Plant, and the Baoji Plastic Plant.

⁵² Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 577-9; Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, pp. 69-79; Baojishi Chengxiang Jianshe Huanjing Baohu Weiyuanhui (The Commission of Urban and Rural Construction and Environmental Protection of Baoji Municipality) (ed.), *Baojishi Jianshe Zhi (Historical Records Of Urban Construction In Baoji Municipality)* (Baoji: Qishan Caise Yinshua Chang, 1992), p. 126; Baojishi Zhonggongye Ju (The Heavy Industrial Bureau of Baoji Municipality) (ed.), *Baoji Zhonggongye Zhi (Historical Records Of Heavy Industry In Baoji Municipality)* (Baoji: 1991, unpublished), p. 23.

⁵³ Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, p. 145.

⁵⁴ Baoji Danfei Chang Bianxie Zu (The Editing Group of The Baoji Fertilizer Plant) (ed.), *Baoji Danfei Chang Changshi (Historical Record Of The Baoji Fertilizer Plant In Shaanxi Province)* (Baoji: 1985, unpublished), p. 4.

⁵⁵ Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 31; Disi Jixie Gongye Bu (The Fourth Machine-building Industry Ministry), "Guanyu Tiaozheng Jishu Ganbu De Tongzhi (the message of adjusting technical cadres) (Apr. 23, 1973)", in Baoji Archives, 23-4-165-7, p. 16.

⁵⁶ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 578.

⁵⁷ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 300.

⁵⁸ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 578-9.

⁵⁹ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi*

(1996), p. 292.

⁶⁰ Baojishi Jixie Ju (ed.), *Baojishi Jixie Gongye Zhi*, pp. 69-79.

⁶¹ "Liu Lantao Tongzhi Zai Xibeiqu Gongye Jiaotong Huiyi Shang De Jianghua (Dec. 25 of 1965 in Xi'an)", in Baoji Archives, 1-4-243-14, p. 53.

⁶² Baojishi Laodong Ju (ed.), *Baojishi Laodong Zhi*, p. 45. Concrete examples see Baojishi Laodong Ju, "Guanyu Danfei Chang Zuzhi Zhigong Jiashu Laodong Fuwudui De Wenti (the problems of Baoji Fertilizer Plant organizing the families of its employees to establish the Service Team) (Jan. 17, 1966)"; "Guanyu Baoji Dianli Gongyang Ju Chengli Shengchan Fuwudui De Baogao (the report about the establishment of the Service Team by the Power Supply Bureau of Baoji Municipality) (Jun. 26, 1967)"; "Guanyu Jianzhu Gongcheng Bu Wu Ju Di'er Anzhuang Gongsi Chengli Shengchan Fuwudui De Baogao (the report about the establishment of Service Team by the 2nd Construction Company of the 5th Bureau of the Construction Engineering Ministry) (Jun. 8, 1967)", Zhonggong Baoji Shiwei Caimao Ban'gongshi (The Financial and Commercial Office of the CCP Committee of Baoji Municipality), "Guanyu Disi Dianqi Tielu Gongcheng Ju Dianqihua Gongcheng Chu Zhigong Shenghuo Fuwuzhan De Pifu (The reply to the establishment of Worker's Life Service Station by the Electrified Engineering Section of The 4th Electric Railroad Engineering Bureau) (Mar. 27, 1969)", in Baoji Archives, 20-2-183-1, 8, 10, pp. 2, 27, 37; 23-1-591-2, p. 2.

⁶³ Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, p. 84; Zhang Jichun, "Zai gaige zhong jueqi", in *Jintai Wenshi Ziliao*, Vol. 7 (1991), p. 11-2.

⁶⁴ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 129, 178, 193; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), pp. 482-83, 487.

⁶⁵ Baoji Xiaofang Qicai Zongchang (ed.), *Xiaofangche Gongye Shiliao*, p. 11.

⁶⁶ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), below p. 670; Baojishi Diyi Qingongye Ju (The First Light Industry Bureau of Baoji Municipality) (ed.), *Baojishi Diyi Qingongye Zhi (Historical Records Of The First Light Industry Of Baoji Municipality)*, p.147, 193; Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, pp. 6, 12, 68, 69, 73.

⁶⁷ Bo Yibo, Ruogan Zhongda Juece Yu Shijian De Huigu, p. 1239.

⁶⁸ Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, pp. 140-1, 287 and 356.

⁶⁹ Xia Tongji, "Shanghai Tuliao Gongye Zhiyuan Sanxian Jiashe Huigu", *Zhongguo Tuliao*, No. 2 of 1998, pp. 12, 25.

⁷⁰ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, p. 74; Sheng Yimin and Tong Chengzhu, *Zhongguo De Renkou Qianyi*, p. 161.

⁷¹ Baojishi Jixie Ju, "Shaanxisheng Zhonggongye Ting Jieshao Jiangsusheng Ban Huagong Chang De Jingyan Ji Yipi Huagong Xiaoxing Qiye De Chanpin (the experience introduction by The Heavy Industry Bureau of Shaanxi Province of the establishment of chemistry plants and some products of small chemistry plants in

Jiangsu Province) (Apr. 3, 1966)", in Baoji Archives, 37-4-4-10, p. 52.

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⁷⁵ Baojishi Gongye Nongye Jixie Gongsi Lianhe Jieguan Weiyuanhui (The United Take-over Commission of Baoji Machinery Industry and Agricultural Machinery), "Guanyu Shengqing 1967 Nian Laodongli Jihua De Baogao (the application for labor plan of 1967) (Mar. 3, 1967)", in Baoji Archives, 37-2-80-2, pp. 10-1; Shaanxisheng Jihua Weiyuanhui Dangzu Jingji Weiyuanhui Dangzu Sanlei Wuzi Guanli Lingdao Xiaozu, "Guanyu Daban Difang Gongye Fazhan Sanlei Wuzi Shengchan De Baogao (Feb. 26, 1966)", in Baoji Archives, 1-4-261-8, p. 53.

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⁷⁹ Xu Dashen (et al.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 587.

⁸⁰ "Xiao Chun Tongzhi Zai Shengwei Wujie Sici Quanti Huiyi Shang De Fayan (the speech of Comrade Xiao Chun on the Fourth Session of the Fifth Plenum of The CCP of Shaanxi Province) (Jun. 27, 1973)", in Baoji Archives, 1-4-301-11, p. 56.

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- ⁸⁴ Hu Shudong, Jingji Fazhan Zhong De Zhongyang He Difang Guanxi, p. 78.
- ⁸⁵ Yang Jianbai (et al.), *Dangdai Zhongguo De Jingji*, p. 377
- ⁸⁶ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 242.
- ⁸⁷ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 196; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), chap. 14, p. 101.
- ⁸⁸ Shaanxisheng Guofang Gongye Bangongshi (The Defense Industry Office of Shaanxi Province), "Xu Guozhen Fu Silingyuan Zai Lanzhou Junqu Zhengdun Jungong Chanpin Zhiliang Zuotanhui Shang De Jianghua (the speech of Xu Guozhen (the Vice Chief of Staff of Lanzhou Military Region) on the meeting of promoting the product quality of military industry of Lanzhou Military Region)" (Oct. 27, 1972), in Baoji Archives, 23-4-163-8, pp. 73-5; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 245.
- ⁸⁹ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 200, 207.
- ⁹⁰ The Economic Planning Meeting on 1973 National Economy (held by the State Planning Commission) (from Nov. 13 to Dec. 28), in Xu Dashen (et al.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 868; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 233.
- ⁹¹ Yang Jianbai (et al.), *Dangdai Zhongguo De Jingji*, p. 377; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, pp. 233, 254.
- ⁹² Guojia Jihua Weiyuanhui, "Guanyu Guomin Jingji Jihua Wenti De Baogao (the report about problems in planning national economy) (Jun. 20, 1973)", in Xu Dashen (et al.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 868.
- ⁹³ Baojishi Laodong Ju (ed.), *Baojishi Laodong Zhi*, p. 25.
- ⁹⁴ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 199-200.
- ⁹⁵ Hu Shudong, Jingji Fazhanzhong De Zhongyang He Difang Guanxi; Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*.
- ⁹⁶ Hu Shudong, Jingji Fazhanzhong De Zhongyang He Difang Guanxi, p. 78; Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, p. 35.
- ⁹⁷ Zhonggong Zhongyang Junshi Weiyuanhui Junshi Gongye Lingdao Xiaozu (The Defense Industry Leading Group of the Military Committee of The Central Committee of the CCP), "Guanyu Guofang Gongye Tizhi De Baogao (The report about the management of defense industry) (Apr. 12, 1971)", in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 702.
- ⁹⁸ Zhonggong Shaanxi Shengwei Bangong Ting (The General Office of the CCP Committee of Shaanxi province), "Guanyu Sheng Guofang Gongye Guanli Tizhi Wenti De Qingshi Baogao (the ask for instruction about the management of defense industry

in Shaanxi province)(Jun. 17, 1973”); Shaanxisheng Gongye Jiatong Bangongshi Dang Hexin Xiaozu (The Core Group of the CCP Committee of the Industry and Communication Office of Shaanxi Province), “Guanyu Guofang Gongye Ji Youdian Tizhi Tiaozheng Hou Yi Bufen Qishiye Danwei Dang De Gongzuo Xiafang Wenti De Qingshi (the ask for instruction about the devolution of the Party’s affairs of some enterprises and institutes after the administrative adjustment of defense industry and mail service) (Oct. 15, 1973)”, in Baoji Archives, 1-4-309-22, 23, pp. 104, 107-08; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 528-9, 534-5.

⁹⁹ Guowuyuan Guofang Gongye Bangongshi (The Defense Industry Office of the State Council), “Guanyu Tiaozheng Guofang Gongye Guanli Tizhi De Jianyi (the suggestive report about the adjustment of the defense industry management) (Sep. 1, 1978)”, in Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 529, 752; Guowuyuan and Zhonggong Zhongyang Junshi Weiyuanhui, “Guowuyuan Guofang Gongye Bangongshi De Tongzhi (the message of the Defense Industry Office of State Council (Sep. 10, 1973)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, pp. 953, 985.

¹⁰⁰ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, p. 528-9. Those branches of central ministries in all provinces also were the specialized organs of provincial governments, which was named as “one organs with two names 一个机构,两块牌子”. But the real operations of these branches were managed and controlled by central government.

¹⁰¹ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), below p. 642.

¹⁰² Guojia Jihua Weiyuanhui, “Guanyu Qiye Tizhi Xiafang Qingkuang Jianbao (the bulletin of the enterprise devolution) (Jun. 1, 1969)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 502.

¹⁰³ The enterprises and organs devolved by the provincial government to the municipal government in Baoji city were: the Baoji Fertilizer Plant, the Shaanxi Twelveth Mill, the Baoji Fire-fighting Equipment Plant, the Baoji Bulb Plant, the Baoji Cigarette Plant, the Baoji Medicine Machinery Plant, the Baoji Medicine Glass Plant, the Baoji Forklift Plant, the Xinqin Paper Plant, the third level wholesale depots, and so on. See Baojishi Geming Weiyuanhui Shengchan Zu (The Production Group of Baoji Revolutionary Committee), “Guanyu Dui Baoji Dengpao Chang Deng Danwei Lishu Guanxi De Tongzhi (the message of the change of administrative jurisdiction of the Baoji Bulb Plant and other enterprises)”, and “Guanyu Dui Shaanxi Jichuang Chang Deng Danwei Lishu Guanxi De Tongzhi (the message of the change of administrative jurisdiction of the Shaanxi Machine-tool Plant and other enterprises) (Jul. 4 of 1970)”, in Baoji Archives, 23-1-645-10, 11, pp. 36, 40; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1991), chap. 14, p. 41.

¹⁰⁴ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*,

p.112.

¹⁰⁵ The interview with Mr. Zhou, Baoji city, Aug. 19, 2001.

¹⁰⁶ Zhou Diankun, *Zhongguo Dong Xi Bu Shichang Guanxi Yu Xietiao Fazhan* (The Market Relationship and Balancing Development between the Eastern and Western China) (Chengdu: Xian Caijing Daxue Chubanshe, 1998), p. 58.

¹⁰⁷ Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, p. 35.

¹⁰⁸ Zhou Diankun, *Zhongguo Dong Xi Bu Shichang Guanxi Yu Xietiao Fazhan*, p. 58.

¹⁰⁹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 85, 90, 91 and 94.

¹¹⁰ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), below p. 1038.

¹¹¹ Hu Shudong, *Jingji Fazhanzhong De Zhongyang He Difang Guanxi*, p. 78.

¹¹² Caizheng Bu Junshi Guanli Weiyuanhui (The Military Management Committee of The Finance Ministry), “Guanyu Xiafang Gongshang Shuishou Guanli Quan De Baogao (the report of power devolution of industry and commerce tax) (Apr. 13, 1970)” (approved by the State Council); Guowuyuan, “Zhonghua Renmin Gongheguo Gongshang Shui Tiaoli (the regulation of industrial and commercial taxation in People’s Republic of China) (Mar. 30, 1972)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 580, 813.

¹¹³ Michel Oksenberg and James Tong, “The evolution of central-provincial fiscal relations in China, 1971-84”, *The China Quarterly*, No. 125 (Mar. 1991), p. 11.

¹¹⁴ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 864.

¹¹⁵ Liu Suinian (et al), *Dangdai Zhongguo De Wuzi Liutong*, pp. 35-9; Zhou Diankun, *Zhongguo Dong Xi Bu Shichang Guanxi Yu Xietiao Fazhan*, p. 58.

¹¹⁶ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 991, 1153, 1339; Hu Shudong, *Jingji Fazhan Zhong De Zhongyang He Difang Guanxi*, pp. 81-2;

¹¹⁷ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, below p. 74; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 580.

¹¹⁸ Baojishi Geming Weiyuanhui Shengchan Zu, “Baojishi 1969 Nian Shehuizhuyi Jingji Jianshe Jihua Chubu Yijian (the primary suggestions on the economic construction plan of 1969) (Apr. 6, 1969)”, in Baoji Archives, 21-1-581-2, pp. 6-9; Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 189-190; Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, p. 145.

¹¹⁹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 227.

¹²⁰ Baojishi Geming Weiyuanhui Shengchan Zu, “Qingkuang Tongbao (The Bulletin) (Nov., 1969)”; “Baojishi 1969 Nian Shehuizhuyi Jingji Jianshe Jihua Chubu Yijian (Apr. 6, 1969)”, in Baoji Archives, 23-1-552, 21-1-581-2, pp. 6-9; Baoji Xiaofang Qicai Zongchang (ed.), *Xiaofangche Gongye Shiliao*, p. 12; Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, p. 48.

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- ¹²¹ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 191, 218.
- ¹²² These four machinery plants were: the Baoji Motor Component Plant, the Weibin Automobile Component Plant, the Dongfeng Automobile Component Plant of Baoji Municipality, and the Baoji Automobile Axle Sleeve Plant. See Baojishi Gongyejingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 132; Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, p. 158.
- ¹²³ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 191, 196, 216.
- ¹²⁴ These three electronic plants were: the Baoji Wireless Electronic Plant (1969), the Qinling Electronic Pipe Plant (1970), and the Baoji Third Wireless Electronic Plant (1971). See Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, pp. 50-62.
- ¹²⁵ Baojishi Diyijin Qigongye Ju (ed.), *Baojishi Diyijin Qigongye Zhi*, pp. 107-193.
- ¹²⁶ Baojishi Dianzi Yibiao Gongye Zhi Bianxie Zu (ed.), *Baojishi Dianzi Yibiao Gongye Zhi*, pp. 50-62.
- ¹²⁷ Baojishi Di'er Qigongye Ju (ed.), *Baojishi Di'er Qigongye Zhi*, p. 243.
- ¹²⁸ Baojishi Geming Weiyuanhui Jixie Gongye Ju (The Machinery Industry Bureau of The Revolutionary Committee of Baoji Municipality), “Guanyu Choudiao Shaanxi Jichuang Chang 25 Ming Gongren Zhiyuan Jushu Xinjian Danwei De Tongzhi (the message of transferring 25 workers of Shaanxi Machine-tool Plant to support new enterprises managed by The Machinery Industry Bureau) (Jan. 29, 1973)”, in Baoji Archives, 37-2-131-9, p. 6.
- ¹²⁹ Zhang Jichun, “Zai Gaige Zhong Jueqi”, *Jintai Wenshi Ziliao*, Vol. 7 (1991), pp. 9-10.
- ¹³⁰ Baojishi Di'er Qigongye Ju (ed.), *Baojishi Di'er Qigongye Zhi*, pp. 73, 84.
- ¹³¹ Ibid., p. 73, 205-06.
- ¹³² Zhang Ze (et al.), *Dangdai Zhongguo De Shaanxi*, p. 287; Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 1, p. 180.
- ¹³³ Wang Haibo, *Zhonghua Renmin Gongheguo Gongye Jingji Shi*, p. 485.
- ¹³⁴ Peter Van Ness and Satish Raichur, “Dilemmas of socialist development: an analysis of strategic lines in China, 1949-1981”, *Bulletin of Concerned Asian Scholars*, 15 (1), Jan./Feb., 1983, p. 2.
- ¹³⁵ Lee, *Industrial Management And Economic Reform In China, 1949-1984*, pp. 97, 125.
- ¹³⁶ Donnithorne, “China’s cellular economy: some economic trends since the Cultural Revolution”, *The China Quarterly*, No. 52 (Oct/Dec. 1972), p. 605.
- ¹³⁷ Bo Yibo, *Ruogan Zhongda Juece Yu Shijian De Huigu*, pp. 1250-3.
- ¹³⁸ Baoji Gongren Jiefangju Maozedong Sixiang Xuanchuandui Di 44 Dui and Baoji Yuan Di Zhuan Jiguang Ganbu Maozedong Sixiang Xuexiban, *8 Ge Zhuanti Tiaocha Baogao*, p. 27.
- ¹³⁹ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi*

(1996), p. 252; Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, pp. 22-3.

¹⁴⁰ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 187-8.

¹⁴¹ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 79.

¹⁴² Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 188.

¹⁴³ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 252.

¹⁴⁴ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 193.

¹⁴⁵ Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, pp. 23-4.

¹⁴⁶ Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baojishi Gongye Jingji Zhi* (1996), p. 79

¹⁴⁷ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 189.

¹⁴⁸ The most important official efforts of this quality improvement was the speech of Primier Zhou Enlai in April 12, 1969, and “Guanyu Zhengdun Guofang Gongye Chanpin Zhiliang He Jiaqiang Peitao Wenti De Zhishi (the directive to improve product quality and strengthen the systematic production of defense industry)” made by the State Council and the Military Committee of the Central CCP, 1972, quoted from Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 28.

¹⁴⁹ Zhonggong Baoji Shiwei Caimao Ban’gongshi, “Guanyu Caimao Jingjian Gaige De Chubu Fang’an (the primary measures to reform finance and commerce and reduce their employees) (Mar. 15, 1969)”, in Baoji Archives, 23-12-598-2, pp. 13-14.

¹⁵⁰ Guowuyuan, “Guanyu Neiqian Zhigong Jiashu Anzhi Wenti De Youguan Guiding (related regulations of the arrangement of families of in-migrated workers in interior) (Jul. 14, 1971)”, in Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 726. The situation of this labor flow in the southwestern China, can see Barry Naughton, “The third front: defense industrialization in the Chinese interior”, *The China Quarterly*, No. 115 (Sep., 1988), pp. 351-386.

¹⁵¹ Xu Dashen (et al.) (eds.), *Zhonghua Renmin Gongheguo Shilu*, Vol. 3, p. 541.

¹⁵² Peng Min (et al.), *Dangdai Zhongguo De Jiben Jianshe*, Vol. 2, pp. 174-5.

¹⁵³ The in-migration of families of in-migrated workers was partly caused by the urban population reduction policy after 1965, when the CCP leaders thought too many urban population was dangerous faced the possible military attacks. See Zhonggong Shaanxi Shengwei Zuzhi Bu and Shaanxisheng Renshi Ju (The Organizational Department of the CCP Committee of Shaanxi Province and the Personnel Bureau of Shaanxi Province), “Guanyu Peihe Zhongyang Yiji Jiguan Zuohao Diaoli Renyuan De Liujing Jiashu Waiqian Gongzuo De Tongzhi (the message to coordinate with the organs of the central government to migrate the employees’ families who lived in Beijing out of

Beijing) (Jun. 14, 1965)", in Baoji Archives, 1-4-251-2, p. 6.

¹⁵⁴ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p. 81.

¹⁵⁵ Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, p. 273.

¹⁵⁶ Baojishi Laodong Ju, "Guanyu Huabei Tielu Ju Deng Danwei Diaoru Woshi Zhigong Wenti De Tongzhi (The message about the in-migration of employees of North China Railroad Bureau and other enterprises into our Municipality) (Jan. 7, 1965)"; "Guanyu Baoji Gangguan Chang Deng Danwei Diaoru Woshi Zhigong Wenti De Tongzhi (The message about the in-migration of employees of the Baoji Petroleum Piple Plant and other enterprises into our Municipality) (Mar. 17, 1965)"; "Guanyu Cong Luda Jiaozuo Dengdi Diaoru Benshi Zhigong De Tongzhi (The message of the in-migration of employees from Lushun, Jiaozuo and other places to Baoji Municipality) (Apr. 1, 1965)", in Baoji Archives, 29-2-76-1, 2, 3, pp. 1, 3, 5.

¹⁵⁷ Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, p. 274.

¹⁵⁸ Baoji Xiaofang Qicai Zongchang (ed.), *Xiaofangche Gongye Shiliao*, p. 11.

¹⁵⁹ Baoji Fadian Chang Changzhi Bianxie Zu (The Editing Group of Historical Records of The Baoji Power Station) (ed.), *Baoji Fadian Chang Zhi (Historical Records Of The Baoji Power Station)* (Baoji: 1986, unpublished), p. 130.

¹⁶⁰ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Youse Jinshu Gongye Zhi (Historical Records Of Shaanxi Province: Non-ferrous Metal Industry)* (Xi'an: Sanqin Chubanse, 1994), p. 152; the interview with Mr. Zhou, Baoji city, Aug. 19, 2001.

¹⁶¹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p. 7.

¹⁶² Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 1547.

¹⁶³ Baojishi Laodong Ju Bianzhi Lingdao Xiaozi (ed.), *Baojishi Laodong Zhi*, p. 30.

¹⁶⁴ Ibid., p. 25.

¹⁶⁵ Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 1547.

¹⁶⁶ He Guang (et al.), *Dangdai Zhongguo De Laodongli Guanli*, p. 136.

¹⁶⁷ Shaanxisheng Jihua Weiyuanhui and Guofang Gongye Bangongshi (The Planning Commission and The Defense Industry Office of Shaanxi Province), "Guanyu Xiada Di San, Si, Wu, Liu, Jixie Gongye Bu Zhaogong Zhibiao De Tongzhi (The message of sending down the recruitment quota of The Third, Fourth, Fifth and Sixth Machine-building Industry Ministries) (Dec. 20, 1972)", in Baoji Archives, 23-4-165-1, pp. 1-5.

¹⁶⁸ Li Pingan (et al.), *Baixianshi Jingji Shehui Diaocha*: Baoji Juan, pp. 213-4, 219.

¹⁶⁹ Baojishi Laodong Ju Bianzhi Lingdao Xiaozi (ed.), *Baojishi Laodong Zhi*, p. 30.

¹⁷⁰ Shaanxisheng Guofang Gongye Bangongshi, "Zhuanfa Sheng Geming Weiyuanhui Zhenggong Zu Zuzhi Zu Guanyu Jieshou Jundui Fuzhuan Ganbu Youguan Shixiang De Dianhua Tongzhi (the transferred telephone message of receiving demobilized cadres of

the PLA by the Organizational Group of Political Affairs Group of Shaanxi Revolutionary Committee) (Feb. 13, 1973)", in Baoji Archives, 23-4-165-3, p. 7.

¹⁷¹ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Jihua Zhi*, p. 219.

¹⁷² Baojishi Geming Weiyuanhui, "Guanyu Jieshou Anzhi Tuiwu Junren Gongzuo Zongjie Baogao (the conclusive reports about the employment of demobilized serviceperson) (1968)", in Baoji Archives, 23-2-258-9, pp. 216-17.

¹⁷³ The interview with Mr. Zhou, Baoji city, Aug. 19, 2001.

¹⁷⁴ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p. 193.

¹⁷⁵ Shaanxi Di Shi'er Mianfangzhi Chang Changzhi Bianxie Zu (ed.), *Shaanxi Di Shi'er Mianfangzhi Chang Changzhi*, p. 155.

¹⁷⁶ Interview with Mr. Huang, Baoji city, Aug. 11, 2001.

¹⁷⁷ Qinhuang Jichuang Chang Changzhi Bianweihui (The Editing Commission of Historical Records of Qinhuang Machine-tool Plant), *Qinhuang Jichuang Chang Changzhi: 1955-1985 (Historical Records Of The Qinhuang Machine-tool Plant)* (Baoji: 1986, unpublished) p. 24; Qinhuang Jichuang Chang, "Chengjing Pizhun Zhaoshou Zhuanggong Linshigong Bing Xishou Bufen Kunnan Jiashu Laichang Gongzuo De Baogao (the application for the permission to recruit temporary workers (part will be workers' families with hard living condition)) (Aug. 28, 1965)", in Baoji Archives, 29-2-76-12, p. 77.

¹⁷⁸ Baojishi Laodong Ju, "Guanyu Tongyi Baoji Chanche Chang Cong Nongcun Linshigong He Zhigong Zidi Zhong Zhaoshou 52 Ming Gudinggong De Tongzhi (the message of the agreement that the Baoji Forklift Plant could recruit 52 formal workers from rural temporary workers and workers' offspring) (Dec. 30, 1965)"; Baojishi Biaozhunjian Chang Geming Weiyuanhui (the Revolutionay Committee of the Baoji Standard Component Plant), "Guanyu Suiqian Zhigong Gongzuo Anpai De Baogao (The report about the arrangement of in-migrated employees) (to the Machinery Bureau of Baoji Municipality) (Jan. 7, 1973)", in Baoji Archives, 29-2-76-24, p. 164; 37-2-131-8, pp. 30, 32.

¹⁷⁹ Baoji Zhuanqu Jihua Weiyuanhui (The Planning Commission of Baoji Prefecture), "Guanyu Gei Xi'an Tielu Ju Zhaoshou Jiche Chengwuyuan De Tongzhi (the message of recruiting train steward for Xi'an Railroad Bureau) (Nov. 5, 1965)", in Baoji Archives, 29-2-76-16, p. 131.

¹⁸⁰ Other cases see Baojishi Laodong Ju, "Guanyu Xinjin Jiqi Chang Cong Lishigong Zhong Zhaoshou Yipi Gudinggong De Pifu (The reply of the agreement that the Xinjin Machine Plant could recruit some formal workers from temporary workers) (Dec. 30, 1965)", in Baoji Archives, 29-2-76-25, p. 171.

¹⁸¹ Shaanxisheng Guofang Gongye Ban'gongshi, "Guanyu Zhaoshou Jihua Wai Lishigong De Jidian Yijian (Some suggestions about the recruitment of unplanned temporary workers) (Dec. 15, 1972)"; "Guanyu Xiada Di San Si Wu Liu Jixie

Gongyebu Zhaogong Zhibiao De Tongzhi (Dec. 20, 1972)", in Baoji Archives, 23-4-165-1, pp. 1-2, 3-5.

¹⁸² Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 326.

¹⁸³ Shaanxi Di Shi'er Mianfangzhi Chang Changzhi Bianxie Zu (ed.), *Shaanxi Di Shi'er Mianfangzhi Chang Changzhi*, p. 155.

¹⁸⁴ Interview with Mr. Zhou, Baoji city, Aug. 19, 2001.

¹⁸⁵ Related cases are the Baoji Engineer-Machinery Plant of the Railroad Ministry and the QinChuan Machine-tool Plant. Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, p. 47; QinChuan Jichuang Chang Changzhi Bianweihui (ed.), *QinChuan Jichuang Chang Changzhi*, pp. 140-1.

¹⁸⁶ Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, pp. 208-9, 243.

¹⁸⁷ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, pp. 81, 112.

¹⁸⁸ Baojishi Laodong Ju, "Guanyu Woshi Shang Ban Nian Laodong Gongzuo Qingkuang De Baogao (The report about labor affairs in the first half year in Baoji Municipality) (Jul. 30, 1965)", in Baoji Archives, 29-2-74-1, pp. 1-5.

¹⁸⁹ The example sees Shaanxisheng Guofang Gongye Ban'gongshi, "Guanyu Zhaoshou Jihua Wai Linshigong De Jidian Yijian (Dec. 15, 1972)", in Baoji Archives, 23-4-165-1, pp. 3-5.

¹⁹⁰ QinChuan Jichuang Chang Changzhi Bianweihui (ed.), *QinChuan Jichuang Chang Changzhi*, pp. 24-6; Shaanxi Di Shi'er Mianfangzhi Chang Changzhi Bianxie Zu (ed.), *Shaanxi Di Shi'er Mianfangzhi Chang Changzhi*, p. 155.

¹⁹¹ Baojishi Laodong Ju Bianzhi Lingdao Xiaozu (ed.), *Baojishi Laodong Zhi*, p. 30.

¹⁹² Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p.136.

¹⁹³ Ibid., p. 81.

¹⁹⁴ Ibid., p.154. The cases of Baoji city see documents of the Labor Bureau of Baoji Municipality about labor recruitment in 1965, in Baoji Archives, 29-2-76.

¹⁹⁵ Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Laodong Zhi*, p. 79.

¹⁹⁶ Baojishi Di'er Qingongye Ju (ed.), *Baojishi Di'er Qingongye Zhi*, pp. 208-09.

¹⁹⁷ Baojishi Laodong Ju, "Guanyu Woshi Shangbannian Laodong Gongzuo Qingkuang De Baogao (Jul. 30, 1965)", in Baoji Archives, 29-2-74-1, pp. 1-5.

¹⁹⁸ Interview with Ms. Wu, Aug. 6, 2002; Mr. Lu, August. 10, 2002, Mr. Cao, Aug. 13, 2003

¹⁹⁹ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, p.193.

²⁰⁰ Shaanxisheng Gongye Bangongshi (The Industrial Office of Shaanxi Province), "Guanyu Zhixing Shengwei Ganbu Gongzuo Huiyi Jiayao De Tongzhi (The message to implement the 'memorandum of the Cadre Meeting of the CCP Committee of Shaanxi

Province) (May. 10, 1972)", in Baoji Archives, 23-4-163-1, p. 2.

²⁰¹ Interview with Mr. Huang, Baoji city, Aug. 11, 2001.

²⁰² This difference was already mentioned by many studied on work unit system. See Barry Naughton, "Danwei: the economic foundation of a unique institution", in Liu and Perry (eds.), *Danwei*, pp. 174, 180; Tomba, *Paradoxes Of Labor Reform*, p. 64.

²⁰³ The interview with Mr. Zhu and Mr. Zhang, Baoji city, Aug. 21, 2003.

²⁰⁴ Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, p. 69.

²⁰⁵ Ma Wenrui, *Ma Wenrui Huiyilu*, p. 221.

²⁰⁶ Wang Haibo, *Zhonghua Renmin Gongheguo Gongye Jingji Shi*, p. 485.

²⁰⁷ Wang Jingwen (et al.), *Baoji Gongye Fazhan Shi*, pp. 179, 196, 208.

²⁰⁸ Baojishi Laodong Ju, "Guanyu Fuwudui Gongzi Biaozhun Wenti De Tongzhi (The message of the wage criterion of service teams) (Apr. 1, 1965)", "Guanyu Jianfa Laodong Fuwudui Ganbu Duiyuan Gongzi Biaozhun De Tongzhi (The message of inspecting the wage criterion of cadres and members of service teams) (Dec. 27, 1965)"; Baojishi Zhengdun Fuwudui Lingdao Xiaozu Bangongshi (The Office of Leading Group of Reforming Service Teams), "Guanyu Zhengdun Fuwudui Gongzuo Zongjie Baogao (The conclusive report about the reformation of service teams) (Jul. 19, 1965)", in Baoji Archives, , 29-2-74-2, 6, pp. 5, 57, 23-27.

²⁰⁹ "Wang Lin Tongzhi Zai Xibei Diqu Difang Gongye Qinggongye Zuotanhui Shang De Jianghua Yaodian (Mar. 19, 1965 in Xi'an)", in Baoji Archives, 1-4-243-15, pp. 64-66.

²¹⁰ Tomba, *Paradoxes Of Labor Reform*, p. 63.

²¹¹ Qinhuang Jichuang Chang Changzhi Bianweihui (ed.), *Qinhuang Jichuang Chang Changzhi*, p. 4.

²¹² Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxisheng Zhi: Junshi Gongye Zhi*, pp. 528-9, 534-5.

²¹³ Baoji Dengpao Chang (the Baoji Bulb Plant), "Guanyu Shenqing Jiejue Zhigong Zinti Shangxue Wenti De Shenqing Baogao (the application for the resolution to education problems of employees' offspring) (to the Machinery Bureau of Baoji Municipality) (Apr. 17, 1967)", in Baoji Archives, 37-2-80-4, p. 22.

²¹⁴ Baojishi Laodong Ju, "Guanyu Jiashugong Yingong Fushang Chuli Wenti Han De Pifu (the reply to the problem of working casualty of the temporary workers who were employees' family members) (Sep. 22, 1967)", in Baoji Archives, 20-2-183-7, p. 22.

²¹⁵ Zhonggong Baoji Geming Weiyuanhui Di'er Gongye Bangongshi Weiyuanhui (The Committee of The Second Industrial Office of The CCP Revolutionary Committee of Baoji Municipality), "Chengli Zhiqing Bangongshi De Tongzhi (the message of the establishment of 'Intellectual Youth Office') (Jan. 22, 1975)"; "Zuohao 1975 Nian Zhishi Qingnian Xiaxiang Qian Jixiang Gongzuo De Tongzhi (do good several things before the intellectual youth being sent "down to the village" in 1975) (Feb. 25, 1975)"; "Zuohao 1976 Nian Zhishi Qingnian Xiaxiang Qian Jixiang Gongzuo De Tongzhi (Feb.

25, 1976)", in Baoji Archives, 23-3-450-1, 2, 4, pp. 1, 3, 14.

²¹⁶ Qinhuang Jichuang Chang Changzhi Bianweihui (ed.), *Qinchuan Jichuang Chang Changzhi*, p. 64; Baocheng Yibiao Chang Changzhi Bianxie Zu (ed.), *Baocheng Yibiao Chang Changzhi*, p. 326.

²¹⁷ Guoying 765 Chang Changshi Bianweihui (ed.), *Guoying 765 Chang Changshi*, pp. 53-5.

²¹⁸ Ibid., pp. 56-7.

²¹⁹ Qinhuang Jichuang Chang Changzhi Bianweihui (ed.), *Qinchuan Jichuang Chang Changzhi*, pp. 24-6, 130-1.

²²⁰ The interview with Ms. Wu and Mr. An, Baoji city, Aug. 7 and 14, 2001.

Conclusion

This study historically analyzed the developmental trajectory of Baoji city during 1937-76, primarily during 1949-76. In this analysis, we centered on three issues. The first was the government's industrialization strategy that included the industrial and regional policies, the method of industrial expansion, and economic management. The second and third issues were the economic and social influences of this strategy on Baoji city, especially on its economic structure, its urban planning and expansion, the labor in-migration and employment, and social stratification based on the work unit system.

We found that the quick industrial growth and urban development of Baoji city during 1937-76 were direct consequences of the government's strategies. From 1937-76, except for several intervals, the GMD government and the CCP government both geared their industrial and regional policies towards the interior of China because of the ominous international situations they faced. This orientation of both governments made sure that important economic resources flowed from the eastern China to the interior in 1937-45 and 1949-76 on a large scale, and put the development of inland cities such as Baoji city on a fast track. In this regard, although the year of 1949 was the watershed of these two different regimes, we saw that important similarities and continuities in economic strategies existed between these two regimes.

However, from the view of Baoji city, great differences between the strategies of two governments also existed. Firstly, the CCP's strategy had a much stronger orientation towards heavy and defense industries and favored the interior for about 30 years, while the GMD government only industrialized the interior temporarily in preparation for imminent war during 1937-45. Secondly, to industrialize the interior, the CCP government used more direct and radical measures such as the nationalization of the private economy, the establishment of a centralized planned economy, the deep involvement of government itself in the industrial establishment,

industrial relocation as one method of industrial expansion, mass mobilization, and so on. Although the GMD government also used the industrial relocation, various economic controls, its active involvement into industrial establishment, etc., it always mainly resorted to indirect means and constrained its economic controls in a very limited scope. Consequently and thirdly, the achievements of the CCP government were as huge as its faults. After 1949, we see the quick industrial and urban development of Baoji city, but we also see the serious economic crisis of the Great Leap Forward and other problems in the FFYP and the construction of the “third front”.

In Baoji city after 1949, we found some fundamental principles of the CCP government's strategy did not change until 1976. The orientation towards the heavy and defense industries, the emphasis on the interior, the method of the “old plants supporting new plants”, the tight controls of central government on all kinds of economic resources, the economic work unit hierarchy in material supply and labor use, the partitioning of economic planning and management, etc., were the indispensable trademarks of the CCP government's strategy in all phases. It was obvious that the case of Baoji city offered us a good opportunity to examine the existing explanations about this government's strategies.

In the literature review, we knew that scholars regarded the industrial policy of the CCP either as equivalent to the Soviet model that focused on heavy industry, or a totally exceptional case that concentrated on the development of “five small industries”. In the studies on regional policy, researchers also either emphasized the special spatial equality thought of by the CCP, or focused on the importance the CCP government attached to the leading roles of the advanced coastal regions and large cities in the national economy, and the consequent stability of these regions and cities. As for the method of industrial expansion, historians often contrasted the modern method of the industrial establishment under the support of the Soviet Union with the strategy of “self-reliance” and “self-sufficiency”. Finally, scholars thought that the CCP government either shared the same ideas as other developing or socialist countries, or had a very peculiar attitude towards industrialization and modernization.

However, the case of Baoji city showed that some existing attitudes had problems. Firstly, it was the importance of military security, not other ideas, which played the decisive role in the CCP's policy-making for industrial, regional, and urban purposes. From the sources about Baoji city, we find that Baoji city as one inland city with relatively secure position compared to the coastal cities, it received many important defense and related industrial projects during 1949-76. And the location of the defense projects in Baoji city and Shaanxi province always followed the principle to avoid possible air-attacks.

Secondly, the dominant method of industrial expansion exploited by the CCP government during 1949-75 was the "old plants supporting new plants", while Soviet support and the concept of "self-reliance" only played secondary roles. In the case of Baoji city, almost all new enterprises emerged in Baoji city after 1949 were established definitely with the aid and support in technique, equipments, labor, etc., from existing plants in Baoji city and other places. In this process, the large and modern enterprises in coastal regions played decisive roles in the establishment of modern enterprises of the defense and heavy industries in Baoji city, while the small enterprises in Baoji city relied heavily on the supports from existing enterprises in Baoji city, especially old handicraft organizations and newly established street industry. Even during the FFYP and the GL when it was said that the industrial establishment were respectively relied on the Soviet aid or the masses' initiation and native technology, the examples in Baoji city still proved that these two quite different methods in fact all based on the "old plants supporting new plants".

Thirdly, we found the relations of the interior with the coastal regions were not only contrastive and competitive, but at the same time interdependent and cooperative, especially with the dependence of the interior on various supports from the coastal regions. From the description of the "old plants supporting new plants", we see that skilled labor, advanced equipment, techniques, etc., from the coastal regions played the decisive roles in the industrial development of the inland provinces, under the arrangement and mobilization of the CCP government. In this thesis, we especially concentrated on the large-scale migration of skilled labor from the coastal to inland

provinces. At the same time, according to the analyses of the economic management of the CCP government, it was clear the existence of specialized sub-systems ruled by the central ministries on the principle of vertical rule, meant that the large and modern industrial enterprises in inland provinces often had stronger economic relations with their partners of coastal provinces in the same sub-system than the enterprises in the same place but belonged to different sub-systems.

Fourthly, many important characteristics of the Soviet-like economic policies established in the FFYP still continued afterward, but Chinese also experimented their originality and experiences during the industrialization process. The heavy and defense industrial orientation during 1949-76 proved that the CCP government favored the industrial policy of the Soviet Union to industrialize China. The stability of the command and planned economy and the key role of the central government in the economic management during 1949-76, showed the appreciation of the CCP leaders towards the Soviet-model mobilization of economic resources. However, the cases of the Great Leap Forward and the development of small “third fronts”, the special way of industrial expansion, and several times of administrative restructuring, all revealed that the CCP government in fact held a critical view on the experiences of the Soviet Union, and tried its best to renovate the Soviet policies and institutions according to the reality of China. This thesis proved it was necessary to do more studies on this topic: the CCP’s view toward the Soviet-like model of economic management, on which Schurmann, Donnithorne, and Solinger already contributed much.

And fifthly, the sources about Baoji city proved that besides the effects of structural elements of the CCP’s administrative system, the emergence of economic localism was partly the result of deliberate policies of the CCP government because of the need for economic security. It was very clear that during the period of establishing small “third front”, the CCP government especially encouraged the establishment of entire industrial systems on the base of regions and provinces. And from the case of Baoji city, just as some scholars pointed out, this economic localism indeed promoted the development of small industries and strengthened the economic relations among

the enterprises and economic sectors in one place, area, or region when the vertical rule of economic management was always strong in China during 1949-76. On the other hand, however, this localism caused many problems to national economy, especially the problems in national logistics, currency circulations, etc., that were already found by the CCP government. And some sources also proved the plausibility of the assumption that the stable superior position of coastal regions and their cities in national industrial production had very strong connections with the existence and development of this localism, even the government leaned its regional policies to the interior. This controversial attitude of the CCP government itself reminded us the role of the consideration of national security in the policy-making process of the CCP government when it felt China was under threat in 1960s-70s and wanted to avoid the lesson of the GMD government that it lost its most industrial capacity when coastal regions were attacked and occupied by Japanese. At the same time, this controversy also revealed much more works should be done on the CCP's special view on social organizations and systems and its review on the Soviet model management that was already initiated by Franz Schurmann.

In this thesis, we also spent much time on the historical analysis of the Chinese administrative system during 1949-76. Here, we looked at this administration and its evolution as an important measure of the CCP government to achieve its industrialization strategy. Through the establishment of a powerful administrative system, the CCP government not only nationalized the private economy and transformed the national economy into a planned one to guarantee resource supply to the strategically industrial sectors, areas and projects, but also treated and operated the administrative system as a dynamic and flexible means to mobilize all useful elements for the nation's industrialization. The view of this thesis is quite different with the view of Franz Schurmann who maintained that this evolution in the administrative system was pushed by the inherited dilemmas and socialist ideology of the CCP; it is also different from the view of Dorothy Solinger and Peter Lee who saw the changes in the CCP's economic management as resulting from struggles among the factions of the CCP leaders. However, I think these three views were complementary – not

contradictory – with each other, and to integrate them to see what happened in Chinese administration during 1949-76 should be instructive.

The conclusions of this thesis on the above topics emphasized the pragmatic character of the CCP government. The industrial policy favored the heavy and defense industries, and the regional policy did focus on the interior; however, these both were mainly the result of the meticulous evaluation of the international situation and then the careful calculation and balance of the relationship between economic security and economic efficiency. The method of the “old plants supporting new plants” showed that the CCP government knew the importance of the advanced enterprises, even the small and handicraft industries, that it inherited from the GMD government and those that were established with Soviet support, and managed to exploit the resources of these old plants to establish the new industrial development. This was quite different with the romantic image that was often propagandized by the CCP government that the industrialization of China after 1949 was started on the basis of Mao Zedong’s thought, “poor and nothing (yiqiong erbai) — 穷二白” and was achieved by “self-reliance and self-sufficiency”. The stable centralized and hierarchical management in industrial management, material allocation and supply, labor use, etc., and on the other hand the continuous mobilization of low-levels of government and masses to develop the small and local industries, proved that the CCP government clearly not only knew the importance of modern industry, but also was aware its capacity was limited in economic management and tried to mobilize other elements to join this industrialization. What’s more, the pragmatism of the CCP government was also illustrated by its intolerance of the harm of the political campaigns to the economy in the early Cultural Revolution. Of course, all these pragmatic actions and policies of the government all were influenced by the estimate and assessment of the CCP leaders of the situation on the international front.

This pragmatism of the CCP also created some special systems and policies that had important implications for Baoji city. In economic structure, the centralized but partitioning economic management and the superior treatment towards the strategic industries and enterprises by the government in all economic aspects created an

economic work unit hierarchy. In this hierarchy, even though the small enterprises managed by the grassroots governments played an active role in the urban industry of Baoji city, they were at the bottom of this hierarchy, and even their existence was unstable and precarious. In urban employment, because of the special labor needs of the industrial development orientated to the heavy industry, the government prohibited the free flow of rural labor into the Baoji city on the one hand, but on the other hand tried hard to mobilize the skilled labor to migrate to the interior for the establishment of those important projects, even compromised with these in-migrants with some privileges in income, employment, and so on. All these particular systems and policies implied that further studies on the CCP's historical experiences, its attitudes towards organizations and labor, etc., are necessary.

The economic work unit hierarchy, and the special policy of urban employment had important sociological impacts. We found that from 1949 on, with the wage reform in 1956 and the under-development of urban services and construction, the main social differences in Baoji city were formed by the different wage systems and the welfare among the work units, which were in turn decided by the work units' position in the whole work unit hierarchy. Because there were no free job and work unit turnover due to the prohibitions of the government and the serious urban unemployment in China, the role of this work unit system in horizontal social stratification became more and more fundamental and important. Because of the privileges of the in-migrated skilled labor from eastern China and the higher status of their enterprises in the work unit hierarchy, the in-migrated labor won better social status in this work unit system and could transfer or influence the work unit and social status attainment of their spouses and children.

According to local sources, interviews, and observations, these systems, institutions and policies were very influential, because many of them still operate and function in today's Baoji city even with the "reform and opening-up 改革开放" and the expansion of the free market. Firstly, the superior status of the important defense and heavy industrial factories were kept in the era of the free market. The reduced but still existing government control of important resources always guaranteed the sufficient

supply of important resources to these enterprises. At the same time, in the early 1980s, the government arranged for large and medium-sized defense plants to transfer parts of their industrial capacities to marketable civilian products needing high technology. The Changling Machine Plant now became one of the largest refrigerator factories; the Baocheng Meter Plant produced air-conditioners; the Fenghuo Machinery Plant produced tape-recorders; the Lingyun Machinery Plant produced electronic pianos, and the Jianguang Machine Plant produced printed circuit boards. This retooling to new markets in fact was a privilege that the central government gave to these defense plants because of the high sales of these new products. At the same time, the government also limited the expansion of these productions to reduce the competition these enterprises faced. The result was, of course, that these plants could earn higher profits than other plants even when the free market expanded. Furthermore, the central government invested special funds to improve equipment and facilities of the large and medium-sized modern plants of heavy industry to strengthen their competitive competence. In contrast, the sectors that really met problems in the free market were those small industries managed by the Baoji Municipal Government and its district governments. The low investment of the municipal government, the backward equipment and technology, and the lack of skilled workers, etc, and consequently the low productivity of these small enterprises made them become the losers in the new market competition. Furthermore, the re-tooling for new products of the large and medium-sized plants also meant many dependent small enterprises lost their clients. To transfer their production to any profitable trade was almost impossible, because the municipal and district governments in Baoji city had no powers and capacities to do this, and had no capital to help their enterprises to do this.

This continuation of the economic work unit hierarchy implied the continuing existence of the work unit system and its impact on social stratification. Employees with better work unit identity often enjoyed better lives and ensured better employment for their children even with the opening of the market economy, which could be proven by the cases of my nine interviewees who or whose family members worked in industrial plants. Mr. An who worked in the Heavy Industry Bureau of

Baoji Municipality and arranged for his two sons to work in two small plants managed by this Bureau, told me that with the bankruptcy of these two plants all his sons were unemployed, or “xiagang 下岗”. He had to finance his sons so they could learn to drive in order to find jobs in long-distant transportation. Mr. Nie, a cadre who once worked in the Jintai District Government and then transferred to Baoji Shoe-making Plant (a small plant managed by the Baoji Municipal Government) and his wife who worked in the same plant, also all lost their jobs with the shutdown of this plant, and now had to rent a retail stall to sustain their life. Ms. Zhang who worked in a small textile plant managed by the Second Transportation Company, was lucky enough to retire and join the state-managed retirement-security system before the bankruptcy of her enterprises. But her pension was the only fixed income to sustain the whole family because her husband and two grown-up children were all unemployed. Mr. Cao, the old skilled staff of the Shenxin Iron Plant of Shenfu Group and a relative of the Rong family, retired from the Baoji Base Paper Plant after he was transferred to this plant to support its construction in 1970s, having seen the shut down of this plant in the 1990s and received a lower level pension in comparison with the employees of better enterprises. Mr. Lu who retired from the Baoji Fertilizer Plant as a deputy head also found his two sons, both who worked in this plant, could earn little money because this plant made no profit. On the other hand, Mr. Dong and his wife, both retired from the Changling Machine Plant (now the Shaanxi Refrigerator Plant), enjoyed higher pensions, and saw good treatment for their son who also worked in this plant. Mr. Zhang, the Party Secretary of one sub-plant of the Baoji Nonferrous Metal Process Plant, was satisfied with his income and welfare, and told me his son also worked in the same plant. Thus, the work unit identity of urban residents in Baoji city was still very important to social status attainment and social mobility.

In conclusion, from 1937 to 1976, the rapid economic development of Baoji city was directly driven by the industrialization strategy of the central government. After 1949, for reasons of national security, the CCP government steered its industrial and regional policies towards heavy industry and the interior – these are what really led to

the quick industrial growth of Baoji city. But this industrial increase was not balanced, because it centered on the defense and heavy industry and related important enterprises. To realize these industrial and regional policies, the CCP government used many pragmatic but particular measures, such as the methods of industrial expansion, the administrative restructuring, the continuous in-migration of skilled labor from the eastern China, some special labor policies, and so on. All these led to the emergence of an economic work unit hierarchy and a social work unit system that created most of the social differences in Baoji city.

Baoji city, because of its strategic location and significant treatment by consecutive governments, was launched into the modern industrial age. By examining this process we may help people to better understand urban development, in a few fast fleeting decades in the northwest of China.

Appendix

Appendix 1. Population of Baoji Municipality and city from 1949 to 1980
(Unit: thousand)

Year	Baoji Municipality				Population of Baoji city
	Population	Natural increased population	Non-agricultural population	Household population	
1949	98,900			22,000	74,600
1950	101,300				75,400
1951	103,600				75,000
1952	109,600			23,300	72,500
1953	114,900				89,600
1954	138,700				129,800
1955	157,000				157,600
1956	164,000				125,000
1957	167,800		148,000	37,300	131,000
1958	176,600				132,900
1959	189,900				173,000
1960	202,800				186,400
1961	195,300				174,000
1962	177,800		160,100	34,200	
1963	184,300				
1964	187,300				
1965	208,800	4,032	169,400	36,700	
1966	235,500				
1967	237,200				
1968	254,800				
1969	264,800				
1970	275,000	4,428	204,900	52,400	
1971	285,000	4,527	216,900	52,000	
1972	292,800	4,507	223,100	54,700	
1973	300,900	3,746	229,800	56,000	
1974	298,500	2,438	226,600	57,900	
1975	296,000	3,025	223,700	58,700	
1976	296,600	3,096	224,000	62,100	
1977	298,200	3,240	225,500	64,500	
1978	304,900	2,475	232,000	66,500	
1979	314,600				
1980	321,300				

Source: Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 288; Baojishi Jihua Weiyuanhui (The Planning Commission of Baoji Municipality) (ed.), *Baojishi Sanshi Nian Tongji Ziliao: 1949-1978 (The Statistic Material Of Baoji Municipality In Thirty Years)* (Baoji: printed by Baoji Renmin Yinshuachang, 1979), p.

2; Baojishi Renmin Weiyuanhui Tongji Ju (The Statistic Bureau of People's Committee of Baoji Municipality), "1949-61 Nian Jiben Jianshe He Chengshi Jianshe Lishi Ziliao (Historical materials of capital and urban construction during 1949-61)", in Baoji Archives, 27-1-111, p. 8.

Note: Here Baoji Municipality only included two administrative districts: Jintai and Weibin Districts, not covered other counties of Baoji Prefecture that merged into Baoji Municipality after 1969.

Appendix 2. The geographical and demographical data of Baoji city during 1949-61 (unit of the geographic areas: square kilometer)

Year	Municipal areas	Urban areas	Suburban areas	Residents	Urban population	Suburban population	Average residents
1949	67.00	8.00	59.00	95,400	74,600	20,800	95,400
1950	67.00	8.00	59.00	96,200	75,400	20,800	96,200
1951	67.00	8.00	59.00	95,600	75,000	20,600	95,600
1952	67.00	8.00	59.00	93,000	72,500	20,500	93,000
1953	67.00	8.00	59.00	110,100	89,600	20,500	110,600
1954	67.00	8.00	59.00	150,600	129,800	20,800	150,600
1955	67.00	8.00	59.00	179,100	157,600	21,500	179,100
1956	67.00	8.00	59.00	182,900	125,000	57,800	182,900
1957	140.26	17.72	122.54	187,400	131,000	56,400	187,400
1958	140.26	17.72	122.54	190,200	132,900	57,300	190,200
1959	828.00	20.51	807.49	282,800	173,000	119,800	292,800
1960	828.00	20.51	807.49	308,300	186,400	121,800	308,300
1961	828.00	20.51	807.49	303,500	174,000	138,300	303,500

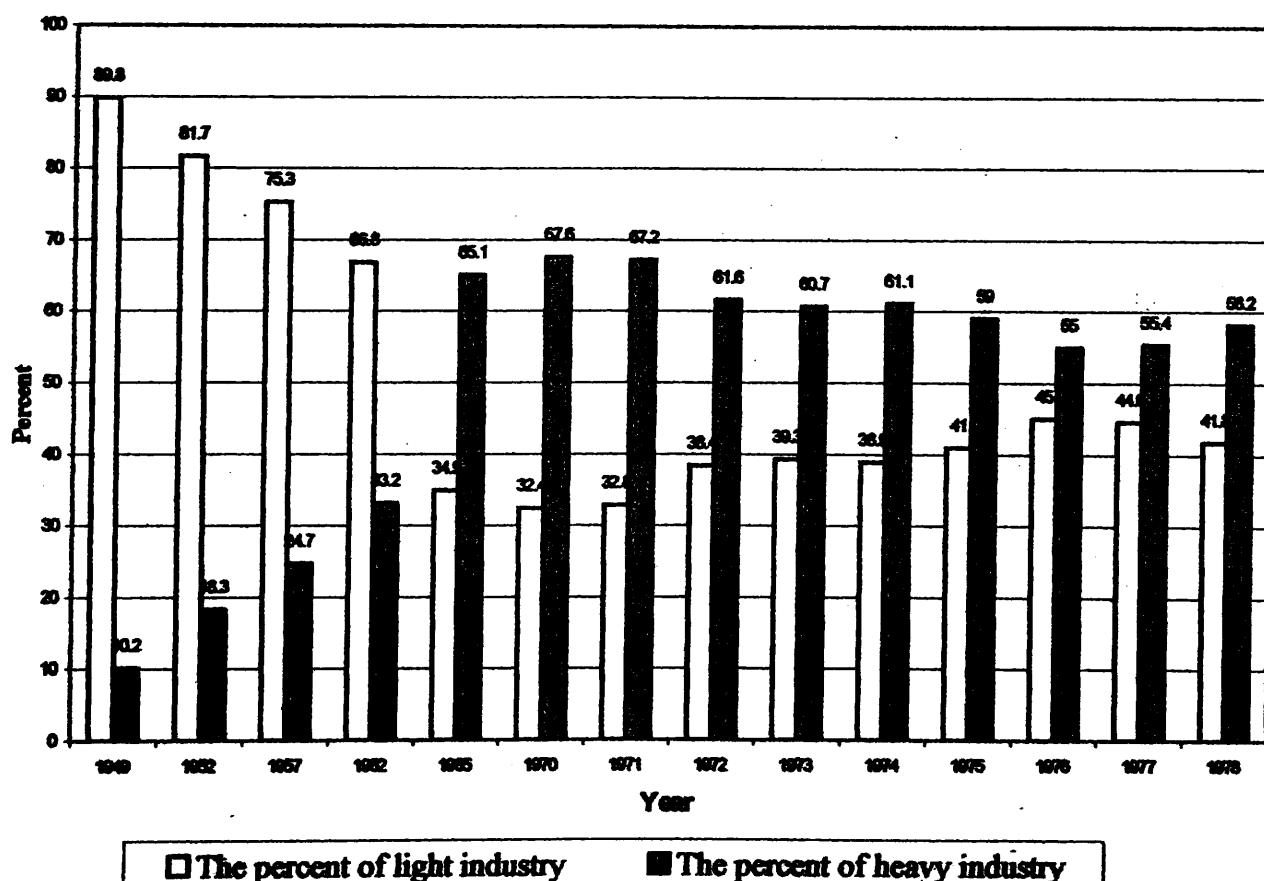
Source: Baojishi Renmin Weiyuanhui Tongji Ju (The Statistic Bureau of People's Committee of Baoji Municipality), "1949-61 Nian Jiben Jianshe He Chengshi Jianshe Lishi Ziliao (Historical materials of capital and urban construction during 1949-61)", In Baoji Archives, 27-1-111, p. 8.

Appendix 3. The percent (%) of different industrial sectors in Baoji Municipality during 1949-78

Year	Light Industry	Heavy Industry
1949	89.8	10.2
1952	81.7	18.3
1957	75.3	24.7
1962	66.8	33.2
1965	34.9	65.1
1970	32.4	67.6
1971	32.8	67.2
1972	38.4	61.6
1973	39.3	60.7
1974	38.9	61.1
1975	41.0	59.0
1976	45.0	55.0
1977	44.6	55.4
1978	41.8	58.2

Source: Baojishi Jihua Weiyuanhui (ed.), *Baojishi Sanshi Nian Tongji Ziliao: 1949-1978*, pp. 13-4.

The percent of light and heavy industry in the total industrial value of Baoji Municipality during 1949-78



Appendix 4. Plants of central and provincial government in Baoji city in 1985

The name	The administrative jurisdiction	Established time
The Baoji Power Station	Northwest Electricity Management Department	Before 1949
The Baoji Petroleum Machine Plant	The Petroleum Industry Ministry	
The Baoji Cigarette Plant	The Commerce Ministry	
The Shaanxi 12 th Mill	Textile Industry Department of Shaanxi Province	
The Baoji Petroleum Pipe Plant	The Petroleum Industry Ministry	The First Five-Year Plan
The Changling Machine Plant	The Fourth Machine-building Industry Ministry	
The Baocheng Meter Plant	The Third Machine-building industry Ministry	
The Baoji Engineering Machine Plant	The Railroad Ministry	
The Xinbao Machine Plant 新宝机床厂	The Security Department of Shaanxi Province	The Second Five-Year Plan
The Baoji Fire-fighting Equipment Plant	The Security Ministry	
The Fenghuo Machinery Plant	The Fourth Machine-building	
The Lingyun Machinery Plant	Industry Ministry	
The Baoji Equipment Plant of Railroad Ministry	The Railroad Ministry	1965-1970
The Baoji Bridge Plant		
The Qinchuan Machine-tool Plant	The First Machine-building Industry Ministry	
The Baoji Fertilizer Plant	The Chemical Industry Ministry	
The Baoji Electricity Equipment Plant	Water Power Ministry	
The Baoji Iron Tower Plant		
The Jianguang Machinery Plant	The Fourth Machine-building Industry Ministry	
The Baoji Non-ferrous Processing Plant	Metallurgy Industry Ministry	

Source: Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (The Editing Commission of Historical Records of Industrial Economy in Baoji Municipality) (ed.). *Baojishi Gongye Jingji Zhi (Historical Records Of Industrial Economy In Baoji Municipality)*, (Baoji: 1991, unpublished), Chart 184-10; Wang Jingwen (et. al), *Baoji Gongye Fazhan Shi*, p. 215.

Appendix 5: The labor recruitment in Baoji Municipality

Year	Total	Administrative belonging of employers		Residency of new employees		The way of recruitment	
		Central and provincial	Municipal and District	Urban	Rural	Open recruitment	Children replacement
1952	266		266	266		266	
1953	1,075	1,075		1,075		1,075	
1954	1,271		1,271	1,271		1,271	
1955	336		336	336		336	
1956	2,092	2,092		2,092		2,092	
1957	284		284	284		284	
1958	15,923	2,355	13,568	8,460	7,463	8,460	
1959	3,129	2,060	1,069	3,129		3,129	
1960	4,611	1,852	2,759	3,322	1,289	3,322	
1961	700		700		700	700	
1962							
1963	402	402		402		402	
1964	941	834	107	941		941	
1965	2,325	351	1,974	2,325		2,310	15
1966	2,614	24	2,590	2,614		2,590	24
1967	2,198	53	2,145	2,096	102	2,145	53
1968	1,488	1,488		1,488		1,473	15
1969	709		709	709		708	1
1970	11,983	1,905	10,078	10,234	1,749	11,983	
1971	16,352	13,424	2,928	15,810	542	16,139	
1972	20,724	1,698	19,026	5,176	15,548	20,724	
1973	541		541	541		540	1
1974	130	38	92	130		92	38
1975	6,547	3,699	2,848	6,178	369	5,547	-
1976	11,567	7,648	3,919	9,489	2,078	11,482	
1977	2,334	1,339	995	1,431	903	1,941	54
1978	8,386	4,972	3,414	7,625	761	7,063	913
1979	15,403	9,017	6,386	12,656	2,747	13,048	2,057
1980	13,478	9,557	3,921	12,618	860	11,839	1,132

Source: Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 1545.

**Appendix 6: Employees in industrial sector of Baoji Municipality before 1970
(only including Baoji city and its suburb)**

Year	Total Number	State-owned enterprises	Collective enterprises
1949	(6,471)		
1952	(9,238)		
1957	21,158 (20,593)	21,158	
1958	38,315(34,396)	38,315	
1959	42,443(31,766)	42,443	
1960	47,033	47,033	
1961	52,570	27,557	25,013?
1962	35,413	17,497	17,916?
1963	39,993	16,731	23,262?
1964	43,640	20,221	23,419?
1965	47,596	23,224	24,372?
1966	43,417	33,301	10,170?
1967	47,256	36,443	10,813?
1968	48,261	36,865	11,396?
1969	53,620	41,861	11,759?

After 1970, Prefecture was merged into Municipality.

Source: the data without bracket from economic statistics of Statistic Bureau of Baoji Municipality (Prefecture), came from Baojishi Gongye Jingji Zhi Bianzuan Weiyuanhui (ed.), *Baoji Gongye Jingji Zhi* (1991), chap. 5, p. 278. The numbers in brackets seemed to be the numbers of Baoji city, came from “Baojishi Linian Renkou Tongji: 1949, 1952, 1957, 1958, 1959 (The historical population statistic of Baoji Municipality)”, In Urban Construction Archives of Baoji Municipality, 28-9-B2-4, pp. 1-17.

Appendix 7: Employees of industrial enterprises in Baoji city during 1949-59

	1949		1952		1957		1958		1959	
	Total	Workers	Total	Workers	Total	Workers	Total	Workers	Total	Formal workers
Total	6,471	5,454	9,238	6,851	20,593	13,697	34,396	21,205	31,766	28,919
Central	1,484	1,166	1,738	1,095	8,928	4,516	12,246	4,756	12,128	11,501
Provincial			3,672	2,855	6,028	4,570	8,825	6,085	10,909	10,403
Municipal	5,007	4,288	3,828	2,901	5,637	4,611	13,325	10,364	8,709	7,015
Local state-owned	73	45	936	650	2,114	1,375	10,047	6,968		
Jointly-managed			3,595	2,805	6,306	4,945	8,004	5,845		
Cooperative					3,245	2,861	4,099	3,636		
Private	3,085	2,667	847	549						
For production	2,814	2,239	4,088	2,739	13,272	7,860	95,596	14,295		
For consumption	3,677	3,215	5,150	4,112	7,321	5,837	8,800	6,910		
Modern industry	4,092	3,555	5,796	4,183	15,359	9,409	25,881	14,100		
Handicraft industry	2,399	1,899	3,442	2,668	5,234	4,288	8,515	7,105		

Source: "Baojishi Linian Renkou Tongji: 1949, 1952, 1957, 1958, 1959 (The historical population statistic of Baoji Municipality)", in Urban Construction Archives of Baoji Municipality, 28-9-B2-4, pp. 1-17.

Appendix 8. The establishment of local light industry in Baoji city

Name in 1985	Name Change	Original organizations
The Motor Fittings Plant		The 1 st (1954) and the 3 rd (1956) Iron Hardware Associations
The 2 nd Wireless Electronic Plant	The Xiguan Agricultural Appliance Plant (1962), Baoji Pneumatic Machinery Plant (1971)	The 2 nd Iron Hardware Association (1956) and Xiguan Machinery Plant (1958)
The Agriculture Generator Plant	The Agriculture Generator Plant	The 4 th Iron Hardware Association and the Electric Appliance Fix Association (1956)
The Baoji Light Industrial Machinery Plant		The 5 th Iron Hardware Association and Weibin Iron Hardware Group (1956); Chengguan Hardware Plant and Jintai 2 nd Machinery Plant (1958)
The Baoji Pump Plant	The Combined joint-managed Pump Plant (1959)	Maying Iron Hardware Group, the 6 th Iron Hardware Association, Car Repair Cooperative, Machinery Repair Association, Weibin Iron Hardware Association (all in 1956)
The Baoji Car Part Plant		The 1 st Iron Sheet Association (1955)
The Baoji Vehicle Plant	The Baoji Vehicle Plant (1959)	The 2 nd Iron Sheet Association and the 2 nd Bicycle Repair Association (1956)
The Jintai Vehicle Plant		The 1 st Bicycle Repair Association (1955) and the 3 rd Bicycle Repair Association (1956)
The Baoji Wooden Furniture Plant		The 1 st , 3 rd , 4 th and 5 th Wooden Furniture Associations (1956); the 2 nd Wooden Furniture Association (1955); the Wooden Furniture Association (1954)
The Jintai Timber Plant		The 6 th Wooden Furniture Association and Maying Wooden Furniture Group (1956)
The Baoji Plastic Plant		The 1 st and 2 nd Bamboo Article Association (1956) and Grass Article Association (1958)
The Xinhua Plastic Plant		The 1 st and 2 nd Bamboo Basket Associations (1956)
The 2th Shoe-Making Plant		The Brush Association (1956), and Appliance for Labor Protection Association (1958)
The Baoji Shoe-Making Plant		The 1 st Shoe Association (1952); the 2 nd Shoe Association (1954); the 3 rd Shoe Association and Weibin Shoe Repairing Group (1956)
The Jintai Electric Line Plant		The Jintai Shoe Repairing Group, Maying Shoe Repairing Association, Jinling Shoe Association, Douji Shoe Making Group (all in 1958)

The Baoji Gongnong Suit Plant		The 1 st Sewing Association (1952); the 2 nd , 3 rd , 5 th , 6 th , and 7 th Sewing Associations (all in 1956)
The Jintai Suit Plant		The 4 th Sewing Association (1956)
The Baoji Cloth and Hat Plant		The Hat Association (1956), the 1 st and 2 nd District Sewing Group (1952), and Jintai Cixiu Factory (1958)
The 1 st Baoji Dye And Weaving Plant	The Combined joint-managed Zhenxing Weaving Plant in 1958, publicized in 1966	The 1 st Weaving Association (1954), the 2 nd and 3 rd Weaving Association (1956), and the Soldier's Family Weaving Association (1955)
The Baoji Needle Weaving Plant	The Baoji Needle Weaving Cooperative Plant (1958)	The Towel Association (1955), Sock Association and Rope Association (1956)
The Baoji Quilt Plant		The Quilt Association, Weibin, Jinling, Jintai Cotton Teasing Group (all in 1956); The Douji Cotton Teasing Group (1958)
The Baoji Brew Plant	Baoji Brew Cooperative Plant (1959)	Chengguan Brew Association and Douji Brew Association (1956)
The Baoji Food Plant	The Baoji Food Plant (1959)	The Sugar-Making Association and The 1 st Food Plant (1956)
The Baoji Bean Plant		Noodle Production Association, The 1 st , 2 nd , 3 rd , 4 th Bean Curd Association, Maying Bean Curd Group (all established in 1956)
The Baoji Food Plant of Hui Minority		The Hui Minority Food Association (1956)
The Baoji Print Plant	The Baoji Print Cooperative Plant (1958, publicized in 1961)	The 1 st and 2 nd Print Associations (1956)
The Baoji Engrave Plant		The Engrave Association (1956)
The Baoji Plastic Print Plant		The Pen Production Association (1956)
The Baoji Paper Plant	Paper Cooperative Plant (1958)	The Paper Production Association (1956)
The Baoji Asphalt Felt Plant	The Baoji Paint Cooperative Plant (1958), Baoji Asphalt Felt Plant (1972)	The Umbrella Association and Paint Association (all in 1956); Chengguan Paint Group (1958)
The Baoji Leather Plant		The Leather Association and Weibin Leather Group (in 1956)
The Baoji Mill		The Chengguan Dye Cooperative Factory (1956)

The Baoji Paper Box Plant		The Chalk Production Association and Jintai Paper Box Group (1956)
The Baoji Art crafts Plant		The Glass Frame Association (1956)
The Baoji Weighing Appliance Plant	The Baoji Weighing Appliance Cooperative (1956) Plant (1958)	The Chengguan Weighing Appliance Group
The Baoji Brick Plant	The Brick Cooperative Plant (1958) and Baoji Brick Plant (1959)	The 1 st Brick Production Association (1953)
The Baoji Pottery Plant	The Pottery Cooperative Association (1959)	The 2 nd Brick Production Association (1956)
The Baoji Fire-resist Material Plant		The Pottery Production Association (1956)
The Baoji Constructive Material Plant	The Construction Material (1956)	The Construction Material Association and Construction Material Group (1956)
The Shaanxi 7 th Construction Company		Construction Association (1952)
The Baoji Hardware Plant	The Jintai 2 nd Machinery Plant (1958), Baoji Hardware Plant (1963)	The Dongdajie Hardware Plant (1958) and Galvanized Wire Net Association (1957)
The Baoji Leather and Fur Plant		The Fur Processing Association (1958)
The Baoji Leather Plant		The Fur and Canvas Association (1958)
The Baoji Electroplate Plant	The Baoji Electroplate Plant (1966)	The 1 st Bicycle Repair Association (1955)
The Baoji Service Company		The 1 st , 2 nd , 3 rd , 4 th , 5 th Haircut Associations (1956)

Source: Baojishi Di'er Qingongye Ju (ed.), *Baojishi Er'qing Gongye Zhi*, pp. 87-128; Baojishi Jixie Gongye Ju (ed.), *Baojishi Jixie Gongye Zhi*, 1937-1985, p. 73.

Note: in 1970, all cooperative groups and associations were upgraded as cooperative plants, or from 'small collective' to 'large collective' enterprises.

Appendix 9. The new and relocated plants in Baoji city during 1965-9

Name	Time	In-migrated workers	Original Factory	Administrative jurisdiction
The Baoji Bulb Plant		150	The Shanghai Bulb Plant	The Light Industry Ministry
The Baoji Bridge Plant	1965	1,116	Shanhaiguan, Dalian (Liaoning)	The Railroad Ministry
The Baoji Fertilizer Plant	1965	854?	Beijing Chemical Experiment Plant	The Chemical Industry Ministry
The Jianguang Machinery Plant	1969	?	4310, 893, 755, 749, 722, 4542, 600, and 4960 Plants	The Fourth Machine-building Industry Ministry
The Baoji Iron Tower Plant	1969	?	Plants of Northwest Electricity Construction Bureau	The Water Power Ministry
The Electric Equipment Plant	1965	500	Wuhan and Baoding (Hebei)	
The Baoji Meter Plant	1965	660	The Shanghai Auto-meter Plant	The First Machine-building
The Qinchuan Machine-tool Plant	1965	922	The Shanghai Machine-tool Plant	Industry Ministry
The Baoji Standard Component Plant	1967	65	The Shenyang (Liaoning)	
The Baoji Forklift Plant	1965	324	The Dalian Derrick Plant	
The Baoji Pump Plant	1966	100	The Benxi Pump Plant (Liaoning)	The Eighth Machine-building Industry Ministry
The Baoji Medical Machinery Plant	1967		The Liaoyang Medical Machinery Plant (Liaoning)	The Chinese Medicine Company
The Baoji Medical Glass Plant (expanded)	1966	170	The East China Medicine Plant, Shanghai, Nanjing Glass Plant	
The Baoji Non-ferrous Metal Processing Plant	1965	718	The Benxi Non-ferrous Plant, 750 Plant (Beijing) and others	Non-ferrous Metal Ministry

Source: Qinchuan Jichuang Chang Changzhi Bianweihui (ed.), *Qinchuan Jichuang Chang Zhi*, pp. 24-6; Dangdai Zhongguo Zhongxing Kuangshan Jixie Gongye Bianweihui (ed.), *Baoji Chache Gongsi Changshi*, 1921-85, p. 199; Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, pp. 7, 45, 56, 57-8, 75, 274; Baoji Difangzhi Bianzhuan Weiyuanhui (ed.), *Baojishi Zhi* (1998), p. 624, 706; Ju Zhiliang and Meng Zhihe, "Fazhan zhong de Baoji Youse Jinshu Jiagongchang", in *Weibin Wenshi Ziliaoi*, Vol. 6, 1990, p. 46; Shaanxi Difangzhi Bianzhuan Weiyuanhui (ed.), *Shaanxi Shengzhi: Youse Jinshu Gongye Zhi*, 152; *Shaanxi Shengzhi: Dianli Gongye Zhi*, p. 389; Baoji Yiyao Boli Chang Changshi Bianxie Zu (ed.),

Baoji Yiyao Boli Chang Zhi, chap. 5; Diyi Jixie Gongye Bu Gongzuo Zu (The Working Group of The First Machine-building Industry Ministry) and Shaanxisheng Jixieju (The Machine-building Bureau of Shaanxi Province), “Guanyu Baoji Diqu Banqian Gongzuo De Qingkuang Baogao (May. 23, 1965)”, Disi Jixie Gongye Bu, “Guanyu Tiaozheng Jishu Ganbu De Tongzhi (Apr. 23, 1973)”, in Baoji Archives, 1-4-243-16, p. 69; 23-4-165-7, p. 16.

Appendix 10. The welfare of machinery enterprises in Baoji city in 1985

Name	Number of employees	Dwelling areas (square meter)		Other social welfares	Administrative jurisdiction
		Total	Average		
The Baoji Engineering Machinery Plant	2,984	76,540	25.7	Kindergarten, children school, hospital, canteen, bathhouse	The Railroad Ministry
The Baoji Bridge Plant	3,568	86,355	24.2	Kindergarten, children school, hospital, canteen, technique school, club, library, guest house, bathhouse	
The Baoji Electric Equipment Plant	993	39,195	26	Kindergarten, children school, canteen, bathhouse	
The Baoji Electricity Equipment Plant	766	22,791	29.8	Kindergarten, children school, clinic, canteen, technique school, club, library, bathhouse, reading room	The Water Power Ministry
The Qinchuan Machine-too; Plant	2,557	56,393	22.1	Kindergarten, children school, clinic, canteen, machine technique school, worker club, library, guest house, industry bathhouse	The 1 st Machine Industry Ministry
The Baoji Petroleum Machinery Plant	6,473	125,395	19.4	Kindergarten, children school, hotel, hospital, industry canteen, training school, TV university, worker club, bathhouse, reading room	The Petroleum Industry Ministry
The Baoji Fire-fighting Equipment Plant	780	17,876	22.9	Kindergarten, clinic, canteen, worker club, bathhouse, reading room	The Security Ministry
The Baoji Vehicle Plant	1,117	22,920	20.6	Kindergarten, clinic, canteen, guest house, bathhouse, reading room	The Machinery Bureau of Baoji Municipality
The Baoji Forklift Company (Baoji Forklift Plant, Baoji Derrick Plant, Baoji Machine Plant, Baoji Electronic Machinery Factory)	3,640	68,400	18.84	kindergarten, 2 children schools, 4 clinics, 4 canteen, 1 technique school, 4 guest houses and libraries, 4 bathhouses, 4 reading room, 1 TV university for workers	
The Baoji Electroplate Plant	333	3,813	11.5	Kindergarten, canteen	

The Baoji Pipe Plant	1,143	17,814	15.6		
The Baoji Machine-tool Plant	747	9,253	12.4		
The Baoji Engine Plant	532	7,947	14.9		
The Baoji Standard Component Plant	385	6,983	18.1		
The Baoji Powder Metallurgy Plant	308	5,005	16.3		
Collective machinery enterprises	Jintai district	853	1,152	1.4	Jintai and Weibin District
	Weibin district	1,224	2,875	2.3	

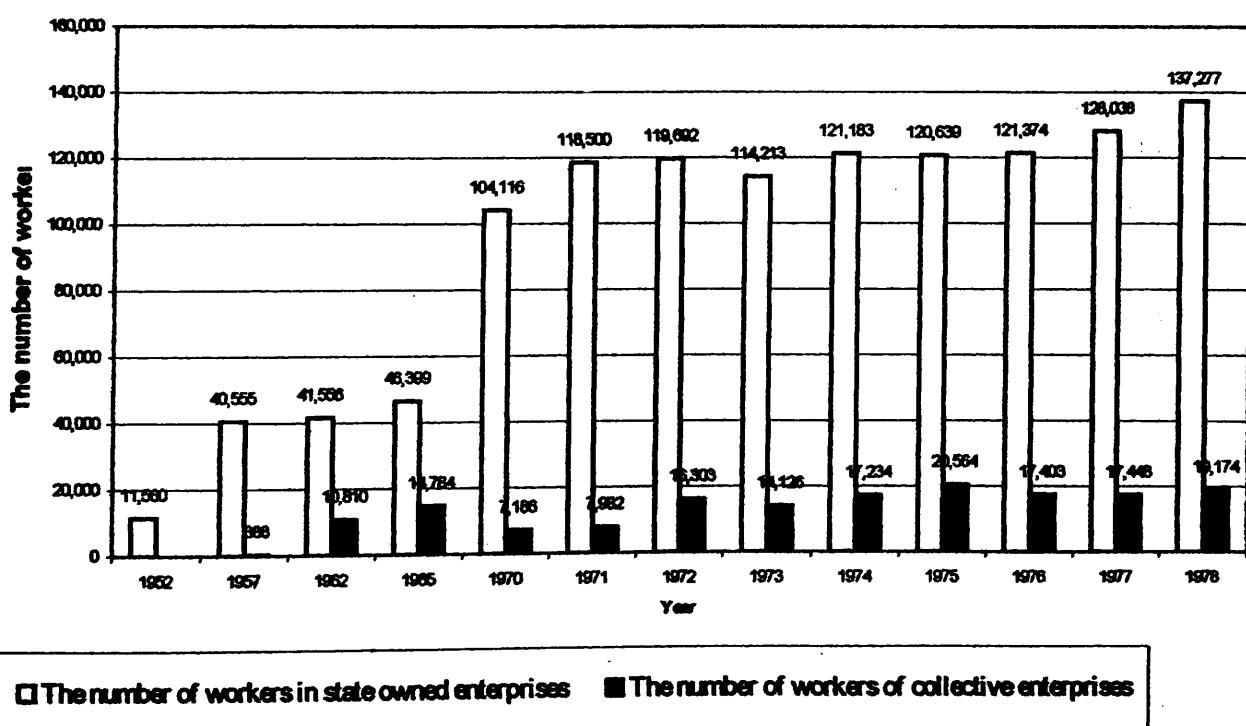
Sources: Baojishi Jixie Gongye Ju (ed.), *Baoji Jixie Gongye Zhi*, p. 45, 47, 56-8, 64, 76, 79; Guoying 765 Chang Changshi Bianweihui (ed.), *Guoying 765 Chang Changshi*, p. 252; Qinchuan Jichuang Chang Changzhi Bianweihui (ed.), *Qinchuan Jichuang Chang Zhi*, p. 131.

Appendix 11. Employees in Baoji Municipality

Year	Employees of state-owned work units					Employees of collective work units
	Total	Managed by central provincial ministries	Managed by provincial government	Managed by prefectural and municipal government	Managed by district government	
1952	11,560	3,238	3,461	4,861		
1957	40,555	19,236	9,993	11,326		338
1962	41,556	22,410	7,581	11,565		10,810
1965	46,399	25,154	11,729	9,516		14,784
1970	104,116	30,183	28,020	45,438	475	7,186
1971	118,517	37,909	32,567	46,765	1,276	7,982
1972	119,692	38,114	21,811	56,216	3,551	16,303
1973	114,213	34,027	21,895	53,389	4,902	14,126
1974	121,183	34,532	28,460	53,102	4,909	17,234
1975	120,639	34,402	25,589	55,565	5,083	20,564
1976	121,374	35,693	25,150	55,385	5,146	17,403
1977	128,038	37,673	24,490	60,440	5,434	17,448
1978	137,277	49,663	24,420	57,597	5,597	19,174

Source: Baojishi Jihua Weiyuanhui (ed.), *Baojishi Sanshi Nian Tongji Ziliao*, pp. 122-3.

Employees in state owned and collective work-units in Baoji Municipality



□ The number of workers in state owned enterprises ■ The number of workers of collective enterprises

Appendix 12. The number of industrial enterprises in Baoji Municipality

Year	Total	State-owned				Collective
		Of central ministries	Of provincial government	the municipal governments	Of prefectural and district governments	
1949	9					
1952	22					
1957	39					
1962	185					
1965	159					
1970	149	11	8	75	55	81
1971	160	11	8	86	53	99
1972	181	11	8	93	74	90
1973	180	11	8	88	75	91
1974	182	11	8	90	77	92
1975	194	11	8	91	88	104
1976	204	11	7	94	95	111
1977	213	11	7	95	107	118
1978	219	11	7	96	118	123

Source: Baojishi Jihua Weiyuanhui (ed.), *Baojishi Sanshinian Tongji Ziliao: 1949-1978*, pp. 8-9.

Glossary

The phases and campaigns of the PRC

The Construction of The Third Front (Sanxian Jianshe 三线建设) (1965-76)

The Cultural Revolution (Wenhua Da Geming 文化大革命) (1966-76)

The Economic Adjustment (Jingji Tiaozheng Shiqi 经济调整时期) (1963-65)

The First Five-Year Plan (FFYP) (Di Yige Wunian Jihua 一五计划) (1953-57)

The Great Leap Forward (Da Yuejin 大跃进) (1958-60)

The Hundred Flowers (Baihua Qifang Baijia Zhengming 百花运动) (1956)

The Period of National Economy Recovery (Guomin Jingji Huifu Shiqi 国民经济恢复时期) (1949-52)

The Second Five-Year Plan (SFYP) (Di Erge Wunian Jihua 二五计划) (1958-62)

The Socialist Transformation (Shehui Zhuyi Gaizao Yundong 社会主义改造运动) (1953-56)

The western development (Xibu Da Kaifa 西部大开发) (1999-)

The regional geographic terms

Six large regions:

The Central and South of China 中南, included South of China 华南 (Guangdong 广东, Guangxi 广西, Hainan 海南 provinces) and Central China 华中 region (Henan 河南, Hubei 湖北, Hunan 湖南)

The East of China 华东 (Shandong 山东, Jiangsu 江苏, Anhui 安徽, Zhejiang 浙江, Fujian 福建, Jiangxi 江西, provinces and Shanghai 上海 Municipality under the direct administration of the central government)

The Northeast 东北 (Liaoning 辽宁, Jilin 吉林, Heilongjiang 黑龙江 provinces)

The North of China 华北 (Hebei 河北, Neimenggu 内蒙古 provinces, and Beijing 北京)

京 and Tianjin 天津 Municipalities under the direct administration of the central government)

The Northwest 西北 (Shaanxi 陕西, Gansu 甘肃, Ningxia 宁夏, Qinghai 青海, Xinjiang 新疆 provinces)

The Southwest 西南 (Sichuan 四川, Xizang 西藏, Guizhou 贵州, Yunnan 云南 provinces)

The coastal region 沿海地区 and the interior 内地: These two terms used in the period of the 1950s of the First and Second Five-Year Plans. In geography, these two were divided by the Beijing- Guangzhou Railroad 京广铁路.

The eastern China 中国东部, the middle China and the western China 中国西部. The division of these three regions based on the different economic levels and the distance from the foreign investment eastward. The eastern China was composed of the coastal provinces, and the western China included the provinces of the southwest and the northwest regions. The middle China referred to the provinces between the eastern and western China. This division is very similar to the division of the first, second and third fronts. But the latter division was based on the consideration of national security when faced the military threats in the eastward direction.

The first, second, and third fronts 一线、二线、三线地区. These terms were used in the 1960s. The first front referred to the coastal provinces, and the third front included mainly the provinces in the northwest and southwest. The second front were provinces between the first and third fronts.

The cities and towns

Caijiapo town 蔡家坡 of Baoji Prefecture (Baoji Municipality) of Shaanxi province

Fengxian 凤县 town of Baoji Prefecture of Shaanxi province

Fengxiang 凤翔 town of Baoji Prefecture of Shaanxi province

Guozhen town 虢镇 of Baoji Prefecture of Shaanxi province

Hanzhong city 汉中 of Shaanxi province

Nanjing city 南京 of Jiangsu province

Tianshui city 天水 of Gansu province

Tongguan city 渭关 of Shaanxi province

Wuhan city 武汉 of Hubei province

Xi'an city 西安 of Shaanxi province

Xianyang city 咸阳 of Shaanxi province

Xiaogan city 孝感 of Hubei province

Yangzhou city 扬州 of Zhejiang province

Important railroads

The Baoji-Chengdu Railroad 宝成铁路 (from Baoji to Chengdu city in Sichuan province)

The Beijing-Guangzhou Railroad 京广铁路 (from Beijing to Guangzhou)

The Longhai Railroad 陇海铁路 (from Lianyungang 连云港 in Jiangsu province to Lanzhou in Gansu province)

Important enterprises in Baoji city

The Baocheng Meter Factory 宝成仪表厂 (now the Baocheng General Electronic Equipment Company)

The Baoji Construction Group 宝鸡市政工程队 (later the Seventh Construction Company 陕西省第 7 建筑公司)

The Changling Machine Factory 长岭机器厂

The Daxin Flour Plant 大新面粉厂 (later combined with Xinqin Flour Plant as Baoji Flour Plant)

The Fenghuo Machinery Plant 烽火机械厂

The Fifth Subdivision of The First Construction Bureau of Railroad 铁道部第一工程局五处

The First Division of Northwest Fourth Construction Company 西北工程第四公司第一工程处 (later **The Second Construction Company of Shaanxi Province 陕西省第二建筑公司**)

The Lingyun Machinery Plant 凌云机械厂

The Locomotive Plant of Longhai Railroad 陇海铁路机车厂 (after 1949 **The First Machinery Plant of The Petroleum Industry Ministry 石油工业部第一机械厂**)

The Shenfu Group 申福集团 (after 1951 it named **Xinqin Group 新秦集团**)

The Shenxin Fourth Mill 申新纱厂第四厂 (later **the Shaanxi Twelfth Mill 陕西第十二棉纺织厂**)

The way of industrial expansion in the PRC

“Three olds supporting three new 三老带三新”: old plants supporting new plants 老厂支援新厂, old industrial bases supporting new bases 老基地支援新基地, old workers supporting new workers 老工人支援新工人

“Dividing one (plant) into two 一分为二”

The administrative system of China during 1949-76:

The central government and its ministries 中央政府和其下属各部委

The Large Administrative Regions (cancelled in 1954)

The Northwest Bureau of the Central Committee of the CCP 中共中央西北局
(established in the early 1960s)

Province and Municipality under the direct administration of the central government 省/直辖市

Prefecture, and Municipality under the administration of the provincial governments 地区(专区)/省辖市(地区级市)

Municipality under the administrative of the prefectural governments, District and Xian 地区辖市(县级市)/区/县

The terms of all kinds of organizations in the PRC

Work unit 单位 (in Chinese this meant the organization that one served)

Government agency 国家机关/机关, **Non-productive institutes** 事业单位 and **Enterprises** 企业单位/企业.

State-owned enterprises 国有企业

Collective enterprises 集体企业

Private enterprises 私有企业

Important employment policy

Children replacement 子女顶替

Recruitment from insiders 内部招工

The classification of the employees in the PRC

Employees of the state-owned organizations 国家职工 (not including those served private and cooperative organizations)

Formal workers 正式职工

Temporary workers 临时工

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Documents in Baoji Archives 宝鸡档案馆馆藏档案 (Volume 全宗号 — Index 目录)

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