

MAO ZEDONG AND
THE POLITICAL
ECONOMY OF
THE BORDER REGION

A TRANSLATION OF MAO'S
ECONOMIC AND FINANCIAL PROBLEMS

ANDREW WATSON

*Senior Lecturer, Centre for Asian Studies
University of Adelaide*

CAMBRIDGE UNIVERSITY PRESS

*Cambridge
London New York New Rochelle
Melbourne Sydney*

Published by the Press Syndicate of the University of Cambridge
The Pitt Building, Trumpington Street, Cambridge CB2 1RP
32 East 57th Street, New York, NY 10022, USA
296 Beaconsfield Parade, Middle Park, Melbourne 3206, Australia

© Cambridge University Press 1980

First published 1980

Phototypeset in V.I.P. Mellor by
Western Printing Services Ltd, Bristol
Printed and bound in Great Britain at The Pitman Press, Bath

Library of Congress Cataloging in Publication Data

Mao, Tse-tung, 1893-1976.

Mao Zedong and the political economy of the border region.

(Contemporary China Institute publications)

Translation of Ching chi we t'i yü ts'ai cheng wen t'i

Bibliography: p.

Includes index.

1. China - Economic policy - 1949-1976.

I. Title. II. Series: London. University.

Contemporary China Institute. Publications.

HC427.9.M2213 330.9'51'05 78-67434

ISBN 0 521 22551 5 hard covers

ISBN 0 521 29547 5 paperback

CONTENTS

List of tables	page vi
Preface	vii
Note on romanization	ix
Note on measurements	xi
Map: Transport routes in the Shaan-Gan-Ning Border Region	xii
Introduction	1
Notes to Introduction	50
 ECONOMIC AND FINANCIAL PROBLEMS	
by Mao Zedong	57
1 A basic summary of past work	59
2 On the development of agriculture	65
3 On the development of animal husbandry	102
4 On the development of handicrafts	106
5 On the development of cooperatives	113
6 On the development of the salt industry	135
7 On the development of self-supporting industry	145
8 On the development of the productive undertakings of the troops	165
9 On the development of the productive undertakings of official organizations and schools	202
10 On grain work	227
 Glossary of special terms	251
Glossary of place names	255
Glossary of personal names	259
Bibliography	261
Index	265

TABLES

A	Grain tax in the Border Region, 1937-44	<i>page</i> 18
B	Index of the standard of living of soldiers in the Border Region, 1939-43	37
1.1	Agricultural activity 1932-42	67
1.2	The flow of refugees into Yan'an county (Yan'an city excluded), 1938-42	80
1.3	Allocation of State aid to refugees; 1940-42	80
1.4	Households reliant upon employers for food grain in 1942	81
1.5	Mobilization of loafers, 1937-42	83
5.1	The number of cooperatives in Yan'an county, 1941 and July 1942	133
5.2	The capital (in yuan) invested in cooperatives in Yan'an county, 1941 and 1942 (half year)	134
8.1	Income and expenditure of a regimental company in 1941	167
8.2	The values (in yuan) of self-supporting production by regimental headquarters	167
8.3	Agricultural tasks assigned to units	190
8.4	Preparatory work necessary by spring 1944	190
8.5	Capital needed to farm 600 mu	191
8.6	Capital needed for the land farmed by the units and by 359 Brigade as a whole (yuan)	192
8.7	Harvest total on 600 mu	193
8.8	Harvest for 359 Brigade	194

PREFACE

Mao's *Economic and Financial Problems* has long been neglected within China and, until this present translation, has not been available in English. In 1974, therefore, the Contemporary China Institute encouraged me to go ahead with a projected translation in the hope that it would eventually be published in the Institute's series. My transfer to Australia delayed the completion of the work and I am, indeed, grateful to the Institute for its patience in waiting for the final manuscript.

The Chinese text used for this translation was published in 1949 by the *Xin Minzhu Chubanshe*, Hong Kong. A comparison with the 1947 edition of Mao's selected works, *Mao Zedong Xuanji* (Chinese Communist Party Central Bureau of the Shanxi-Chahar-Hebei Border Region) Volume 5, pp. 1-180, as reprinted in 1970 by the Center for Chinese Research Materials of the Association of Research Libraries, Washington, shows no significant differences of text apart from typographical errors, particularly in the numerical tables. Part One was also compared with the 1953 edition of Volume 3 of the *Selected Works*, pages 893-8, where it appears under the title, *Kangri Shiqi de Jingji Wenti yu Caizheng Wenti*. Important changes introduced in that edition are noted in the footnotes. All footnotes to the translation are by the translator. Comments and observations by Mao are within brackets in the text, as are important Chinese terms.

I am grateful to David Holm for his comments on the draft translation and to the following for their comments on the introduction, Bill Brugger, John Gittings, Derek Healey, David Holm, Mark Selden and Stuart Schram. Their suggestions have helped me improve what follows. I am also grateful to David Holm for introducing me to the map in the Hoover Collection on which

PREFACE

the map accompanying this translation is based. Finally I would like to thank Jenifer Jefferies for her painstaking work in typing the various stages of this project.

July 1978

A.W.

CONTEMPORARY CHINA INSTITUTE PUBLICATIONS

Editorial Board

Kenneth R. Walker James L. Watson

Stuart R. Schram Denis Twitchett

Mark Elvin

The Contemporary China Institute

School of Oriental and African Studies, University of London,

sponsors research on Twentieth-Century China and

seeks to promote such studies in the U.K.

MAO ZEDONG AND THE POLITICAL ECONOMY
OF THE BORDER REGION

Publications in the series are:

Party Leadership and Revolutionary Power in China (1970)
edited by John Wilson Lewis

Employment and Economic Growth in Urban China,
1949-1957 (1971) by Christopher Howe

Authority, Participation and Cultural Change in China
(1973) edited by Stuart R. Schram

A Bibliography of Chinese Newspapers and Periodicals in
European Libraries (1975) by the Contemporary China
Institute

Democracy and Organisation in the Chinese Industrial
Enterprise, 1948-1953 (1976) by William Brugger

Mao Tse-tung in the Scales of History (1977) edited by Dick
Wilson

Mao's *Economic and Financial Problems* was originally presented at the Senior Cadres' Conference in Yan'an, 1942. It is the most comprehensive statement on economic questions that Mao made during the vital formative period in Yan'an and, as such, gives important insights into the origins of his thinking on questions of political economy and economic development. Mao's report also contains detailed information on the Border Region economy and the innovations made by the Communist Party between 1936 and 1942. It is therefore an important source for the study of the Shaan-Gan-Ning Border Region.

After 1949 only one part of this report was reprinted in Mao's *Selected Works*. This neglect reflected both the changed situation of the Communist Party and the new emphasis in economic policy. Mao's reassessment of China's development strategy in the mid-1950s, however, led him to reassert some aspects of the policies adopted in Yan'an. The contrasts and similarities between Mao's 1942 report and his thinking in later years give us a fuller understanding of the way his approach to questions of political economy evolved.

Mr Watson's translation makes this important document available in English for the first time. The introduction places the report in its historical context, examines the nature of the policies Mao put forward, and compares Mao's early approach to the problems of economic development with that he adopted in later years. This book will be of great interest to all those concerned with Chinese affairs, especially with the history of the Chinese Communist Party and the development of Mao's ideas, and to economists and other social scientists studying the problems of economic development for the light it throws on China's experience.

Also issued as a paperback

MAO TSE-TUNG IN THE SCALES OF HISTORY

Edited by DICK WILSON

Mao Tse-tung was probably the most influential leader of our century. Eleven scholars renowned for their penetrating and lively analysis of Mao during his life, make their assessments of his career and influence, after his death.

Benjamin Schwartz and Stuart Schram consider Mao's claims to be an original thinker and extender of the Marxist-Leninist canon. The practical side of his career is evaluated by Michel Oksenberg and Jacques Guillermez. Enrica Collotti Pischel examines Mao's ideas on education—one of the central issues of 'Maoism'. Mao's economic and international preoccupations are discussed by Kenneth R. Walker and Christopher Howe, by Frederick Wakeman, and by John Gittings. Wang Gungwu and Edward Friedman conclude the book with essays on Mao's personality as a Chinese, and on his role as a revolutionary innovator. The book is introduced by Dick Wilson, editor of *The China Quarterly*, who indicates some of the common themes, showing *inter alia* that Mao was neither as politically powerful, nor intellectually consistent and creative, as outsiders seem to have thought: that on the contrary, his strength lay in his longevity, his concern for the methodology of social change, and a certain moral quality which distinguished him.

'Dick Wilson, editor of the London-based *China Quarterly*, has brought together ten essays of very high caliber by an international group of contributors to his journal, including a number of the leading students of Mao Tse-tung.' *American Historical Review*

'This volume is essential reading for anyone interested in contemporary China and will retain its importance by forming the basis for tracing the changing interpretation placed on Mao's thought as the historical perspective widens.' *Economic Journal*