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Five Anti Campaign II: The Campaign in Shanghai

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Dear Mr. Rogers:

"I consider this city's Five Anti struggle to be the key to success or failure of the nation's Five Anti Campaign", Mayor Ch'en Yi of Shanghai said on March 25 this year when he announced the official beginning of the great mass campaign against businessmen. The Five Anti Campaign against the bourgeoisie had to be successful in Shanghai, he said, because "Shanghai is China's bourgeois center". The development of the campaign in the sprawling metropolis on the Whangpoo River is of particular interest for this reason. Other big cities in China went through a similar process, but it was in Shanghai that the Communists attacked the real stronghold of China's bourgeoisie and business class. The attack was successful and encountered only light resistance.

Preparations for the Five Anti Campaign in Shanghai began about three months before Ch'en Yi's March speech. As early as December, 1951, the Shanghai Municipal Government, in response to statements made by national leaders, called meetings of leading businessmen to explain to them the drive against corruption, waste, and bureaucratism, and to urge them to confess their complicity in these crimes. From December 19 to 26 the Shanghai Federation of Industry and Commerce called meetings of the chairmen and vice-chairmen of all local business and trade associations, to which heads of private enterprises without exception must now belong, and began to extract confessions of bribery, tax evasion, and similar sins, from them.

In January, after speeches by Premier Chou En-lai and North China party leader Po Yi-p'o which opened the direct, nationwide, propaganda attack against the bourgeois class, the Shanghai Production Increase and Economy Committee, which was to lead and direct the campaign, issued a public call to the masses to denounce law-breaking merchants and industrialists. The committee requested that denunciations and information be sent to them, and they guaranteed government protection for the denouncers and informers. At the same time, the committee called upon businessmen themselves to voluntarily confess their sins of bribery, tax evasion, cheating the government, and so on.

By late January an extensive propaganda drive was under way. Teams of propagandists toured the city and mobilized workers and shop assistants to help them. They plastered the city with posters, written slogans, banners, and wall papers. Some of the teams in local districts contained up to 200 members; they went into factories and stores and demanded confessions from the owners and managers. Loudspeakers set up outside of shops and at important street corners blared questions and accusations at businessmen. "Hey, boss, have you confessed yet?" Workers, and even casual passers-by, were encouraged to shout at businessmen through these public loudspeakers.

Preparations for the campaign progressed a long way during January and February, and by the end of February "several tens of thousands" of denunciations containing data on businessmen had been received by the Production Increase and Economy Committee. This material was sorted, analysed, and carefully studied, together with all other known information about individual business establishments. Then, even before the campaign was officially started, the committee on the basis of this data classified Shanghai's 163,400 business establishments (not including 110,000 hawkers). According to this classification, 15 per cent were law abiding, 50 per cent were basically law abiding (including some companies which had "cheated the government" of considerable sums but were willing to confess and perform "meritorious service" by denouncing others), 30 per cent were semi law abiding, and five per cent received the ominous classification of serious law breaking and completely law breaking establishments. In short, the committee decided that almost 140,000 Business establishments in Shanghai would have to make payments to the government, that over 57,000 would be squeezed hard, and that about 8,000 would receive the harshest treatment.

While the "research" was going on, organization and training for the campaign was intensified. The Municipal Production Increase and Economy Committee established branches in each city district. Special training classes were organized, and they trained 10,000 workers and shop assistants in the campaign's aims and policies. Then, in mid-March, a large number of cadres, or political workers, were transferred to be under the direction of the Municipal Committee; they came from government organs, the army, and experienced Three Anti work groups. These cadres were organized into Five Anti Investigating Teams. The teams studied the lists of private enterprises, and the available data about them, went over the denunciations, established liaison with workers and shop assistants, decided upon "key points" or targets where they would work first to gain experience, and finally carried out "combat manoeuvres".

From March 21 to 24, 74 Five Anti Investigating Teams fanned out over the city and carried out experimental "key point" work in selected private enterprises. To facilitate the progress of the campaign, the government issued orders forbidding managers, vice-managers, and key personnel to leave the city; the orders warned against any destruction or alteration of business records, forbid closures, and required continued payment of wages and provision of meals to employees, even if business operations temporarily ceased.

Finally, on March 25, Mayor Ch'en Yi formally opened the campaign with a speech to the political workers. He described the government's policies ("stern" but "flexible") and once again issued a call to businessmen to confess the "five poisons" and to contribute "meritorious service". At the same time, he tried to reassure the frightened businessmen somewhat by telling them that this campaign against them was different from the campaign against landlords; the businessmen were not to be eliminated as a class as the landlords had been. He emphasized that production should be maintained as well as possible during the campaign, and stated that the government would help out private enterprises in difficulty by giving them processing orders, contracting to buy their goods, and extending loans if necessary.

Already the business class in Shanghai was living under a reign of terror, however. Their private and professional lives were being exposed in detail to their employees and to the public. Their books were being minutely examined. They were under constant pressure to confess, although many of them were never clear what it was that they were supposed to confess. If they did confess, the first confession was almost always turned down as incomplete and inadequate, and it had to be followed by one or two more. They were also being urged to denounce their friends and colleagues. And by this time most of them saw the writing on the wall as far as their fluid business assets and capital were concerned. Yet the terror to which they were subjected was largely psychological; there was very little physical violence in this campaign (which was a marked difference from some of the Chinese Communists' previous mass campaigns). In essence, what the businessmen were required to do was to admit that they were sinners, guilty of the "five poisons", that they had "cheated the government" and "stolen from the people", and that they deserved punishment. But some held out against doing this, and they were bitterly denounced. The psychological pressure was too great for many, and a wave of suicides began to sweep over Shanghai. In the end there were probably several thousand suicides in the city, and a number of well-known leading businessmen were among them.

The government made every effort to stir up the working people of Shanghai against their employers during this period, but at the same time, to keep the situation under control, it issued a stern "eight point discipline" defining who could do what; the masses were not allowed to punish their employers or to take the payments they made - this was the prerogative of the government authorities. The mob was incited to action, but it was kept under strict discipline. It was class warfare "by the numbers", with tight rules.

After the campaign was formally under way, a three step procedure which all business establishments had to go through was outlined. After the owners and managers had filled out lengthy questionnaires and submitted them to the Production Increase and Economy Committees, the first step was for them to perform "self-reporting for public assessment", or in other words to go through public confession and denunciation. The second step was examination and consideration of each case by workers and shop assistants in cooperation with the political cadres. The final step was ratification of the decision which they made by district committees and the Municipal Committee. When this process was completed the businessmen had to pay what was required, and if there was any further punishment it was then carried out.

Business life in Shanghai had already been seriously disrupted before March, but at the peak of the campaign in March and April commercial activity came to almost a complete stop. The doors of business establishments remained open, because official decrees required it, and payrolls had to be kept up, but few business transactions took place. Commercially Shanghai had the appearance of a dead city. Factories and productive concerns went on producing to a certain extent, but they were affected too. Government factories were least affected, but no operations could continue normally. Raw materials were hard to get. Buyers weren't buying. Goods coming off production lines piled up in the form of unsold stocks. Government agencies responsible for economic activities were barely functioning due to the combined effects of their internal Three Anti Campaign and the general Five Anti Campaign. In short, economic life was almost completely disrupted for a period of about two months and considerably disrupted for a

longer period.

The Five Anti Campaign in Shanghai developed during the weeks after March 25 in four distinct phases. In Phase I, from March 25 to March 31, the 74 Five Anti Investigating Teams worked over their lists of stores, factories, and companies and fully mobilized the workers and shop assistants. Five Anti Committees and Work Teams were organized in all trades and in important factories and stores. Workers Representative Conferences were called to stimulate greater activity. Capitalists Representative Conferences were convened, and trade associations were used to apply direct pressure on businessmen.

Phase II lasted from April 1 to April 12. During this period over 1,000 Five Anti Committees and 2,540 Work Teams, with 35,000 members, were organized by the Municipal Production Increase and Economy Committee, and 25,000 local union cadres and activists were given special campaign training. This "army" of campaign workers was despatched, district by district and trade by trade, to organize workers and shop assistants, hold meetings, obtain confessions, and teach the "art of struggle". They held meetings of managerial personnel and meetings of workers and staff members; they helped the workers examine the "evidence" on their employers and then called mass meetings to announce their decisions and force public confessions from the employers. If satisfactory confessions were not forthcoming, a District Committee meeting was held to put on the pressure. If this didn't work, the Municipal Committee sent one of its elite Five Anti Investigating Teams to apply psychological third degree methods. These teams often kept businessmen locked in their offices for days, under continuous interrogation. If this treatment didn't produce results, the incorrigibles were hauled off to jail. There had to be a confession. The verdict in every case was actually made by the political cadres, with the assistance of the workers and shop employees and on the basis of information provided by the workers, employees, and businessmen themselves, but it was essential that the businessmen confirm and accept the verdict by their confessions.

A new twist was given to the tactics of the campaign during this phase when Five Anti Merit Achieving Teams were organized; these contained businessmen who had already confessed, and they were used to denounce and obtain confessions from other businessmen.

By April 12, the authorities in Shanghai announced that they had won a basic "victory without a fight" in the campaign, but instead of slackening their efforts they increased them. Phase III was started; it lasted from April 20 to April 30. Over 600,000 workers and shop assistants took an active part in this phase of the campaign, according to the Communists' own claims, and the cases of over two thirds of Shanghai's business establishments, mainly small ones which had been classified as basically law abiding, were disposed of.

There was no let-up in organizational activity, and meetings continued. Trade Union Cadre Conferences, Workers Representative Conferences, Conferences of Senior Staff Members of business establishments, and Capitalists and Managers Conferences were held, all with the purpose of

determining the sins of businessmen and ensuring that they confessed to having committed them. Over 1,600 businessmen who had confessed were mobilized to work on their colleagues. Businessmen's families were also utilized to put pressure on the family breadwinners, and in many districts there were actually Conferences of Capitalists' Families convened for this purpose. District Committees also called meetings of representatives of larger industries and organized the persons who attended into "mutual aid" and reporting groups to work on each other.

This endless activity to obtain confessions may be somewhat mystifying to a person unfamiliar with Chinese Communist political techniques, but it is an essential element in one of their mass campaigns. The demand for confessions has both practical and deep psychological motives. In this case, one of the practical aims was to extract every possible scrap of information from businessmen about their past, their business activities, and their assets. It was on the basis of this information that the cadres could determine the financial levies to be imposed and could justify them. Psychologically, a complete confession seemed to be necessary in Communist eyes to symbolize absolute submission to the regime, and there is no doubt that the process of extracting confessions put a damper on any latent sparks of open resistance. Furthermore, the process itself, involving recrimination and denunciation, broke down former associations and weakened the position of the businessmen involved.

The specific sins which the businessmen had to confess were endless. Chinese businessmen for many years have operated in a relatively amoral atmosphere in which laws, rules, and regulations have been made to be evaded, and tax evasion, bribery, use of official connections, and sharp practices in general have been common, if not standard. It is true, therefore, that many businessmen have contravened known laws, and even though this was partially due to the laxity in the rule of law at the time, the Communists were able to determine actual law violations on the part of almost everyone. Stated Communist policy was to collect evaded taxes and "illegal earnings" on government contracts only since 1951, and other illegal earnings only since October, 1949, but this was not strictly adhered to. Furthermore, many of the "crimes" of the businessmen as defined by the Communists had less to do with laws than with vague moral judgements proclaimed by the Communists. For persons who proceed from the premise that making a profit is exploitation and therefore is immoral, it is logical to conclude that "large" profits are "illegal" because they involve "stealing from the people". One Shanghai businessman who has come to Hong Kong since the end of the Five Anti Campaign summarizes it this way: "In actual fact, if you made a decent profit, this by definition meant that you had done something illegal, in the eyes of the Communists. You revealed the ways in which you made the profit, and these were your crimes. You then confessed your crimes, and the Communists took away your 'illegal profits' and returned them to the people - or rather to the People's Government - whom you were supposed to have cheated when you made the profit."

The climax of the Five Anti Campaign in Shanghai came early in May. The cases of most business establishments were cleaned up by this time, and the majority of people in Shanghai had been drawn into the struggle. The Communists estimated that 80 per cent of the workers and shop assistants in the city had taken part in mass denunciations. A few "serious cases" were still unsolved, but these were turned over to the People's Tribunals.

When it was all over a small number of businessmen languished in jail, but by and large, despite the intensity of the campaign, the same people

were still around. But although the businessmen had not been eliminated as a class they had been stripped of their wealth and capital as well as of their dignity and self-respect.

The epilogue to the campaign, in conformance with standard Chinese Communist practice in most of their campaigns, was great publicity for the regime's magnanimity. The government began stressing its leniency and offered, to businessmen in trouble, low interest loans, processing contracts, and purchase orders, failing to mention, however, that a great many of the businessmen in trouble would have been in reasonably good shape had it not been for the Five Anti Campaign and other Communist policies which victimized, persecuted, and impoverished them.

"Shanghai is now like a malaria patient who has just gone through a racking fever", one recent arrival from Shanghai reports. "The temperature is approaching normal again, but the patient feels weak. And he wonders when the next attack will come."

There is little doubt that Shanghai will suffer another attack, although it may come in a somewhat different form, because mass campaigns have followed each other in rapid succession since the Communists' takeover and are an established Chinese Communist method of carrying out their policies. The Five Anti Campaign, although it had unique characteristics, shared certain features common to most past campaigns and probably to future ones as well.

It was initiated by top Communist leaders in the nation's capital who defined the aims as well as the general principles to be applied over the whole country.

It was preceded by intense propaganda and mass psychological mobilization.

It concentrated on a well-defined enemy and a few specific but flexible slogans.

It was highly organized on a local level, from top to bottom, and involved the mobilization of large numbers of people to take an active part in meetings and organizations.

It stimulated mass action but kept the activities of the masses under tight discipline and control.

It was led by professionals working in small groups and committees who directed the activities of larger organized groups.

It not only encouraged but compelled class warfare, and it utilized group conflicts and tensions to achieve its purposes.

It operated according to a plan, starting with careful preparation, proceeding to "key point" experimentation, going through definite phases, and finally reaching a climax.

It required mass denunciations of the enemy under attack and public confessions by the enemy.

It built up to a peak of intensity and then ended on a theme of magnanimity and leniency.

These, in general, are the characteristics of mass campaigns in China today. China in 1952 is not a relaxed place to live; the keynote is struggle.

Sincerely yours,

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