The Pan Hannian Affair and Power Struggles at the Top of the CCP (1953-1955)

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ABSTRACT: Pan Hannian (1906-1977), Communist activist from 1925, former senior head of the CCP secret service and deputy mayor of Shanghai after the PRC’s founding, was arrested in 1955 for treachery and counter-revolutionary crimes. He was condemned, with his wife Dong Hui, to imprisonment and to laogai camps for the rest of his life. His posthumous rehabilitation in 1982 transformed him into a legendary national hero. Illustrative of the political struggles in 1953-1955, the Pan Hannian affair seems to reveal the methods Mao Zedong used from time to time in managing the Party internally so as to maintain his dominant position in the leadership. (1)

Pan Hannian (1906-1977) became a militant Communist in 1925, with remarkable talents as an organiser, diplomat, and communicator. He was put in charge of some highly specific missions by the Party: organising the League of Left-Wing Writers, negotiating with warlords or the Nationalist regime, directing intelligence operations or rallying democratic personalities to the new Communist regime. He held the prestigious post of deputy mayor of Shanghai from May 1949 until April 1955, when suddenly he became caught up in a top-level power struggle in the Communist regime in what became known as the “Gao Gang-Rao Shushi” affair. (2) Pan and his boss, the Shanghai Party secretary Rao Shushi, along with Yang Fan, the chief of Shanghai police from 1949 to 1951, were accused of having shielded a large number of the former regime’s secret agents and of having caused serious damage to the people’s interests. Pan’s reputation was further sullied by the revelation of a clandestine meeting in 1943, while he was a Communist Party secret agent, with Wang Jingwei, who headed a puppet regime of the Japanese at that time. Charged with treachery (neijian), counter-revolutionary acts (fangeming) and collaborating with the Kuomintang (KMT – tewu), he spent the rest of his life, from 1955 until 1977, between prison and laogai camps (the Chinese gulag). His wife, Dong Hui (1918-1979), also a former Communist secret agent, suffered the same fate and died, like him, in a camp in Hunan. In 1982, the Party absolved Pan of all charges, rehabilitating him and his wife posthumously. Their remains were reburied in Beijing’s Babaoshan Cemetery, which is reserved for revolutionary heroes and high-ranking Communist cadres.

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2. Gao Gang (1905-1954) and Rao Shushi (1903-1975) were high-ranking Party leaders. Between 1949 and 1952, they were the leaders in charge respectively of Northeast (Manchuria) and East China. Moved to Beijing in 1953 during a reshuffle of central political-administrative organs, they made a scramble for power, attacking some leading lights in the regime. They failed and were accused of having formed an “anti-Party alliance” and a “counter-revolutionary clique.” Gao committed suicide on 17 August 1954; Rao was arrested on 1 April 1955 and died in prison during the Cultural Revolution. The best work on the Gao-Rao Affair is by Frederick C. Teiwes, Politics at Mao’s Court: Gao Gang and party factionalism in the early 1950s, Amorink (NY) and London, M.E. Sharpe, 1986. For a perspective different from that of Teiwes and focusing on the structural and faction-based factors in the Gao-Rao affair, see Huang Jing, Factionalism in Chinese Communist Politics, Chapter 4, “The transition of the Yan’an Round Table,” Cambridge, Cambridge University Press, 2000, pp. 173-210.
Pan was quickly raised to legendary hero status. The charges against him (and Yang Fan) are now regarded as having been part of the first unjust political trial (yuăn’an) of the People’s Republic. Over the past two decades, articles and commemorative publications have proliferated, as have fictionalised biographies. China Central Television marked Pan’s birth centenary with a 30-episode serial focusing on his life and exploits.

Independent of the public’s interest in it, the eulogising of Pan met the needs of a post-Maoist restoration of normality within the Party. Archives relating to the Pan case have never been opened to outside researchers, although a few official researchers have had some restricted access, as for instance Yin Qi, author of a richly documented biography. Other writers were able to get their hands on pre-1949 Party archives, which are often less sensitive, and draw upon the now republished writings of Pan. Sources relating to the Gao-Rao affair — Mao’s speeches, senior leaders’ statements, as well as accounts by former colleagues of Gao Gang and Rao Shushi — have helped penetrate the secrets surrounding the charges laid against Pan by revealing the political nature of the inquisitorial trials of the period and by clarifying Mao’s crucial role in organising them.

Many biographers and observers believe the suit against Pan stemmed from leftist ideology and Mao’s arbitrary authoritarianism. But this interpretation fails to explain why the Gao-Rao affair suddenly flared in intensity towards late March 1955, given that the Poliburo had until then been restrained in punishing Rao Shushi. His sudden arrest on 1 April 1955 marked a turn for the worse in his case: his mistreatment and consequent trial were within reach. The need to rehabilitate Rao and Yang Fan helped prompt Pan’s arrest, as the latter’s rehabilitation meant also the reopening of the case of the “counter-revolution” charge against Pan and Yang Fan.

A young communist scholar in Shanghai

Pan Hannian was born on 12 January 1906 in a village in Yixing County to the west of Taihu Lake in the Yangzi River delta. It was one of the richest regions in imperial China, noted not only for the abundance of its farm produce and pottery but also for the number of its renowned literary figures, members of the select band of imperial examination graduates. For generations, the Pan family had been made up of scholar-peasants focusing on teaching, tending to the family lands, and raising silkworms. The young Pan Hannian attended new schools in his village and then in the city but was unable to complete his secondary studies due to his family’s declining finances. Growing up at the time of the New Culture movement and the vernacular language move-
ment (baihua yundong). He devoted the rich literary crop that abounded in the early 1920s. He devoted himself to literary creation, sending poems as well as short essays discussing problems in education and other social phenomena to Shanghai publications.

In 1925, aged 19, Pan went to work in Shanghai. With help from a fellow Yixing resident, he found a job as a proof-reader and then editorial assistant with China Publishing House (Zhonghua shuju), which together with Shangwu (Shanghai Commercial Press) controlled the country’s textbook market. The two publishers also put out several magazines aimed at educated urban readers and had an editorial stable made up of writers, journalists, intellectuals, and academics. Pan excelled at editing work, basking in the company of writers and sharing his passions with a group of young literature enthusiasts who liked him were admirers of the Chuangzaoshe or Creation Society, and academics. Pan played a major role in this owing to his talents as an orator and his eclectic spirit.

The writers’ league led to a series of literary and artistic groupings (social sciences, film, theatre, music, and so on), which undeniably contributed to Shanghai’s cultural effervescence in the 1930s. Their success was facilitated by the emergence of new urban public spaces thanks to the aggravation of the Japanese threat since 1931-1932. Party cultural work authorities such as Pan Hannian, Feng Xuefeng, and Xia Yan, seized the initiative in the domain of artistic creation and social contact. Pan was especially active in the matter of communication and building links. “He liked visiting people with differing opinions, frequenting the most varied social milieu, so as to gather information he needed and gauge the real situation in society then.” He seemed more and more at ease in the changing and open environment of the big city. He spoke the Shanghai dialect, often wore Western-style clothing, and sported gold-rimmed spectacles. He was ever smiling, amiable, and loquacious in the company of his friends. Perhaps the only dark cloud was his unhappy family life, thanks to a marriage his parents had arranged. But Pan would cherish a life-long affinity with this world of the 1920-1930 Shanghai circles he frequented. Some of those friends stayed loyal to him, despite his indictment as a traitor.

10. The New Culture movement erupted in urban areas between 1915 and 1925, led by progressive intellectuals and young students critical of the traditional social order and the conservative Confucian spirit. They advocated democracy and science and they circulated simplified literature for mass consumption, replacing traditional written language with a popular spoken one. The movement influenced an entire generation of Chinese youth.

11. The foreign jurisdictions’ tolerance of political refugees was not to last. In the 1930s, the authorities in Shanghai’s concessions handed over arrested Communists or political suspects to the Nanjing authorities. On this collaboration, see Frederic Wakeman Jr., Policing Shanghai 1927-1937, Berkeley, University of California Press, 1995.

12. See Xia Yan, Lan xun jiujian lu, op. cit., chapters 4 and 5.

Pan disappeared from the literary scene around May 1931, when he was moved to the Party’s Special Work Committee (Teke). It was formed in November 1927 by Zhou Enlai, at that time the leading official in charge of the Communists’ military action. Its mission was to combat the Nationalist government’s dismantling of operations and to protect the Shanghai-based central organs of the Party. After the betrayal of the former Teke chief in January 1931, Pan was called upon to help with its reorganisation alongside Communist leading lights such as Chen Yun and Kang Sheng. He ran the intelligence service and was in charge of keeping in touch with those who had infiltrated the Nanjing regime’s intelligence service, rebuilding dismantled networks and sometimes warning Party cadres facing danger. At that time, his writer friends might well have run into him in the street, looking like a worker or a professional. Knowing the discipline of clandestine work, they would have avoided speaking.

But the government’s relentless repression and the CCP leadership’s leftist line made it impossible to maintain the central organs in Shanghai. Top leaders left. Some took refuge in Moscow and others in the Red base of Ruijin, in Jiangxi province. In mid-1933, Pan went to Ruijin and found other Politburo members such as Zhang Wentian, Bo Gu, and Chen Yu, with whom he shared lodgings. He took charge of propaganda work and mass mobilisation. In October that year, the Party sent him to Fujian, east of Ruijin, to negotiate a truce with the chiefs of the Nationalists’ 19th Route Army, who wished to cease hostilities with the Communists. Pan then spent some months in the provincial capital Fuzhou as CCP representative to a dissident government formed by military chiefs and opponents of Chiang Kai-shek. A little after his return to Ruijin, the Party leadership decided in October 1934 to abandon the base under military pressure from the Nationalist forces and to head toward the southwest. Zhou Enlai, who was in charge of the Communist forces, asked Pan again to negotiate with Guangdong warlord Chen Jitang a neutrality pact that would let the Red Army gain passage into the north of the province. Mission accomplished, Pan took part for some months in the Long March. He got to know central leaders, including Mao Zedong, who had been eased out of his military and civil functions by the leaders who had returned from Moscow and who had the backing of Pavel Mif, the Comintern representative. Mao seemed to like listening to Pan, 13 years his junior. Several accounts have testified to Pan’s gift for elocution: It was often left to him to enliven conversations with “vivid and incisive” speech, while keeping his secret work under wraps.

A little after Mao regained his post on the Politburo Standing Committee in January 1935, Pan was given a new task: to restore links cut with the Comintern. The Chinese delegation to Comintern put him in charge of meeting in Moscow, in early 1936, the representative of Chiang Kai-shek, who had received Stalin’s pledge of assistance in the Anti-Japanese War. Pan maintained contact in Hong Kong with the Kuomintang, but also met Nanjing dissidents, civilians, or military personalities estranged from the Nationalist regime. He then renewed contacts with the clandestine Communist Party in Shanghai and with the central team installed at Ba’ao and Shaanbei in China’s Northwest. He went there in August 1936 to report to the Politburo the directives from Comintern, the position of the Chinese dele-

14. The full name of Teke was “Special Work Committee of the CCP Central Military Commission.” It had four services under it: 1) the administration, which oversaw the finances, logistics, and the daily life of the Party’s top leaders; 2) the “Red Squads” (Hongdou – also called “the dog-hunters’ brigade” – whose task was to summarily execute Communist traitors; 3) the intelligence service, which gathered information and supervised the infiltration of agents into the Nationalists’ police and special services; 4) the communication service, which ensured radio contacts among the four services, between Shanghai and rural-based Communist guerrillas, and between the CCP and the Comintern. On the activities of Teke, see: Faligot Roger and Rémig Kauffer, Kang Sheng et les services secrets chinois (1927-1987), Paris, Robert Laffont, 1987; Byron John and Robert Pack, The Claws of the Dragon: Kang Sheng the Evil Genius Behind Mao and His Legacy of Terror in People’s China, New York, Simon and Schuster, 1992; Frederic Wakeman Jr., Policing Shanghai 1927-1937, op. cit., pp. 132-162, Sypmometer: Dai Li and the Chinese Secret Service, Berkeley, Los Angeles, University of California Press, 2003, pp. 132-156.

15. On Pan’s work in the special services between 1931 and 1933, see Jin Chongji (ed.), Chen Yun zhujuan (Chen Yun’s biography), Beijing, Zhongyang wenxian chubanshe, 2005, vol. 1, pp. 103-114; Chen Xiuliang, Pan Hannian feifan de yisheng (The uncomon life of Pan Hannian), Shanghai shehui kexue chubanshe, 1989, pp. 16-22; Chen Yun had been one of the leaders in charge of Teke at that time, and Chen Xiuliang was a clandestine Party activist in Shanghai.

16. Ruijin County, in the south of Jiangxi Province close to Fujian, hosted the biggest Communist bases in the 1930s, including the soviet’s central government and the guerrilla zones’ Politburo. The CCP central organs were moved there from Shanghai in 1933.

17. The 19th Route Army was of Guangdong origin. It excelled in Sun Yat-sen’s military successes in the 1920s and took the initiative to resist Japanese forces in the Shanghai-Wusong battle of early 1932. In opposition to Chiang Kai-shek’s authoritarian policies, the 19th Route Army leaders and civilian dissidents set up a “people’s revolutionary government” in Fujian in November 1933, but the Nanjing government’s attacks put an end to this experiment two months later.

Perspectives

Pan-Liao in 1938 at Hong Kong, Pan Hannian is the first from the left on the second line. Liao is the first (with a child) from the right on the first line.

Deployment of the United Front during the Sino-Japanese War

The second united front gave the CCP much elbow room, which, among other things, helped it open representative units in major cities in the name of “Office of the Eighth Route Army” (as the Red Army was now called). From July 1937 until early 1938, Pan took part successively in heading the “Eighth Route Army Office” in Shanghai, then in Hong Kong. In Shanghai, his mission was to receive and reassign released Communist prisoners, promote social ties under the garb of patriotism in the city, and supervise publication of a daily called Jiuwang ribao (National Salvation), which helped the Party reach out to several democratic personages, writers, journalists, and intellectuals. Between August and November 1937, Pan himself wrote some 20 articles in the daily advancing Communist positions in the Anti-Japanese resistance and in the quest for potential alliances. After Japan overran Shanghai, the daily was published from Guangzhou and then Guilin in Guangxi. On Zhou Enlai’s orders, Pan personally arranged the evacuation of the democratic personages and hundreds of sympathetic intellectuals to Hong Kong, Guangzhou, Guilin, and Chongqing. He also organised groups of artists and writers and divided them among military units.

In late December 1937, Pan left the “isolated island” made up of international settlements in Shanghai for Hong Kong. In early 1938, he spent some time in Wuhan, the provisional capital hosting the Yangzi office (Changjiangju) representing the CCP’s central leadership. It was under the charge of Wang Ming, who had just returned from Moscow, as well as Zhou Enlai and other top figures. Zhou sought to exploit the political opening in order to implant communist structures in China’s interior as well as in Southeast Asia. In March, Pan returned to Hong Kong, where he and Liao Chengzhi manned the Eighth Route Army office in charge of regrouping Communist guerrillas in southern China. Using their contacts among the overseas Chinese and KMT Leftists as well as other social networks, Pan and Liao sought to boost the CCP’s profile and that of its armed forces, raise funds and resources, and gather all sorts of intelligence. From 29 September to 6 November 1938, Pan took part in the 6th plenum in Yan’an of the Sixth Party Congress, which was meant to settle the differences between Mao’s central team in Shaanbei and the Wang Ming-led representation in Wuhan. With unequivocal backing from Moscow, Mao’s leadership prevailed, and Yan’an restored its representation structures in non-Communist zones. The old security and intelligence services were also overhauled and regrouped under a department of social affairs (Shehuibu) led by Kang Sheng, Li Kenong, and Pan Hannian. Pan focused mostly on training action units and secret agents, some of whom later followed him to Hong Kong and Shanghai. There he met a student, Dong Hui, 12 years his junior and from a family of Hong Kong bankers. She went on to join his intelligence unit and later became his second wife.

19. Twenty years later, the contacts and talks between Pan and the KMT’s Central Club faction, especially with Chen Lifu and Zhang Chong, would be considered proof of his treachery. Pan was accused, among other things, of having been an agent of the Central Club faction, although Mao knew perfectly well the actual facts: Yin Qi, Pan Hannian de qingbao shengya, op. cit., pp. 241-242.
20. “Democratic Personages” (minzhu renshi) was a label the CCP put on leading dissidents in the Nationalist regime, leading Communist sympathisers or neutral persons, or those enjoying certain public renown.
21. On the retreat from Shanghai in 1937 and evacuation of writers and intellectuals in 1938 to Guangzhou and in 1940 to Hong Kong after the Japanese invasion, see Xia Yan’s excellent account, Lan xun jiujing liu, op. cit., pp. 204-307.
22. Liao, of Guangdong origin, was the only son of Liao Zhongkai, once the right-hand man of Sun Yat-sen and leader of the KMT’s right wing, assassinated in 1925. Liao Zhongkai’s wife, He Xiangning, was also a prominent personality. She and Sun’s widow, Song Qingling, represented the KMT left wing, which was close to the CCP. Due to historical reasons and geography, many KMT leaders had vast networks of sympathisers among overseas Chinese and among some foreign institutions.
Espionage and counter-espionage

Despite his extraordinary reputation, Pan was more a versatile secret agent of the CCP than a classic spy. It was the Japanese invasion that led to a full scale redrawing of China’s political scene and opened up a new phase in Pan’s career.

In April 1939, Pan returned to Hong Kong to obtain treatment for an eye problem. Yan’an asked him to stay there and supervise the organisation of an intelligence service in southern China. Pan restructured the existing teams by adding recently recruited agents sent by Yan’an. He established contact with agents from different networks installed in Hong Kong. Among them was the representation office of General Li Du, leader of the Manchurian resistance, the Soviet intelligence office for the Far East, the international research institute – a front for Juntong (the reporting committee of the Nationalist army), which was Chiang Kai-shek’s most powerful secret service – and the private cabinet of prime minister Kong Xiangxi (H.H. Kong). From September 1939, Pan strengthened his network (known as Pan xi-tong) from Hong Kong to Shanghai. He placed a Communist-Nationalist double agent from Juntong, Yuan Shu, in the “Iwai Intelligence Agency,” which was a branch of the Japanese foreign ministry’s intelligence system in China, headed by Eichi Iwai, Japan’s vice-consul general in Shanghai. Pan met him in November and entered into an agreement according to which Iwai subsidised a politically neutral periodical known as Ershi shiji (Twentieth century) that Pan had been a secret CCP agent, and had then worked for the KMT Central Club faction’s intelligence service and for the Japanese in 1938. He provided Pan with useful information on the rural clean-up campaign (qingxiang) covering the headquarters of the new CCP Fourth Army in the north of Jiangsu. Li introduced Pan to “76 Jessfield Road” and put him in touch with Zhou Fohai, the other service chief who maintained links with the Nationalists’ Juntong. Li Shiqun designated his assistant Hu Junhe, another former Communist agent, to serve as go-between for contacts with Pan. In November 1942, these collaborators with the Japanese extended protection to Pan and other clandestine CCP leaders during their retreat from Shanghai to the Communist base of Huainan (in the south of Anhui). Many secret channels linked the two places. All these activities were approved by the central leadership in Yan’an and reported in detail to the department of social affairs.

24. Manchuria was under Japanese occupation from 1931 to 1945. Diverse political and military organised resistance there took care of Manchuria’s representation within China or abroad.


26. The Japanese occupiers installed power centres in different Chinese regions run by collaborators. In Shanghai, the first puppet municipal authority dates back to 1937. From January 1940, it was answerable to the Nanjing government headed by Wang Jingwei. The ex-Nationalist leader had defected to the Japanese side in December 1938.

In April 1943, however, Li Shiqun and his assistant arranged an unexpected meeting in Nanjing between Pan and Wang Jingwei, the collaborationist regime’s supremo. Wang was seeking to drive a wedge between the already leading CCP and KMT by conveying to Pan his wish to collaborate with the Communists in calling a national democratic parliament. The meeting remained inconclusive, but on his return to the Huainian base, Pan apparently omitted any mention of it to the regional leaders, political commissar Rao Shushi and Fourth Army commander-in-chief Chen Yi.

In Huainian, Pan became a target in a campaign to rectify the Party’s work style (zhengfeng), which Rao Shushi was trying to use in a drive to settle scores with his rival Chen Yi. Rumours multiplied around Pan regarding his “liberal” conduct (ziyu zhuai), “irresponsible talk” (xiao guangbo), and even “dubious” relations with Li Shiqun and other renegade agents. In September 1943, the Japanese assassinated Li. When Pan arrived in Yan’an in early 1945, Mao praised his success in intelligence work and expressed the Party’s confidence in him. Pan seems to have failed to use the opportunity to mention his meeting with Wang Jingwei and explain the circumstances in which it took place. It was hardly surprising as Pan, known to be cautious and used to work under perilous conditions, failed to cover his back.

At the peak of his career

Soon after Japan’s surrender in April 1946, Pan returned to Shanghai, and later to Hong Kong, to direct united front work and the intelligence service. As a Cantonese speaker, he felt at home there. He excelled in tapping all manner of contacts to gather information, run a pro-Communist press, and protect the CCP’s potential allies. From 1947, he was mainly concerned with meeting, in the free Hong Kong surroundings, all sorts of people – democratic or politically neutral – who were fleeing KMT regime reprisals. He helped them settle in, set up representative organs, and enabled them to publish. When needed, he helped reunite families or overcome financial difficulties. In the spring of 1948, the CCP appealed to other groups to take part in a consultative conference in order to form a coalition government. For one whole year, Pan was given charge of supervising the movement between Hong Kong and the Communist bases in the north and northeast of those who rallied to the CCP’s side. Despite the efforts of KMT agents and British authorities’ surveillance, some 350 people reached the Communist zones. When Communist victory loomed in late 1948, Pan became the most sought-after person. Everyone flocked to him for information or to forge relations. Pan also played a major role in rallying Nationalist institutions to the new regime.

After the fall of Shanghai in April 1949, Pan was named deputy mayor, mainly dealing with security and united front work. He put his energies into restoring social order in a city gripped by hyperinflation, combating crime, and supervising a campaign to snuff out opponents linked to the old regime. On his instructions Shanghai police chief Yang Fan used a number of double agents or turncoats, infiltrated the KMT’s clandestine radio stations and appointed Hu Junhe, former Wang Jingwei regime agent, as the head of an intelligence committee. Such obviously delicate use of some double agents led to a few incidents. In late 1951, a public security ministry investigation concluded that Shanghai police had made serious mistakes because of insufficient control over special agents and counter-revolutionary agents. Yang Fan was dismissed, but his immediate bosses – Pan Hannian and Rao Shushi – escaped inquiry at that time. Although relieved of his post as director of the intelligence service, KMT agents shackled him to a chair and silenced him with a gag. He died of heart failure in his home on 21 November 1955. For the full picture, see Tang Yu, “Aisi he yinian” (Homage and painful memories), in Lingluo chengni xiang ru gu – huiyi Pan Hannian, op. cit., p. 63.

28. Yin Qi, Pan Hannian de qingbao shengya, op. cit., p. 168; Zhao Xian, “Pan Hannian he Dong Hui” (Pan Hannian and Dong Hui) in Pan Hannian zai Shanghai, op. cit., p. 543.
30. Pan told friends, while he was on conditional parole from 1963 to 1967, that the fear of losing face kept him from revealing the full picture. See Tang Yu, “Aisi he yinian” (Homage and painful memories), in Lingluo chengni xiang ru gu – huiyi Pan Hannian, op. cit., p. 63.
31. Xia Yan, “Jinian Pan Hannian tongzhi” (In hom age to com rade Pan Hannian), in Huiyi Pan Hannian, pp. 7-9.
33. The ministerial inquiry revealed an astounding number of these double agents and turncoats – as many as 3,300. Actually it was a figment of imagination stemming from a joke. On this episode, see Yin Qi, Pan Hannian de qingbao shengya, op. cit., pp. 232-236.
committee, Hu Junhe continued to work for the Shanghai police until his sudden arrest in September 1954. (14) Pan was also concerned with united front work, which consisted of coordinating relations between the CCP and various socio-professional circles, especially capitalist entrepreneurs who retained a preponderant position in Shanghai society. The authorities acutely needed their cooperation in restoring economic order following the devastation of the civil war and consequent galloping inflation. Pan sought to allay the suspicions of the industrialists and financiers as regards the Communist government’s capacity, and helped them restore production by solving their difficulties over funding, raw material, transport, or social conflicts. In the latter half of 1952, Pan oversaw a Beijing-ordered “Five-Anti” campaign against capitalists, but tried to tone down its more inhuman aspects in order to spare adverse effects on the economy. When Beijing decided to nationalise private enterprises, he urged those in charge of the economy to spare a few so as not to scare Chinese capitalists overseas. (33)

As mayor Chen Yi was often tied up with his responsibilities over the eastern military region, Pan had to look after the day-to-day work of the municipality. He had to receive and accompany foreign and Chinese dignitaries visiting Shanghai, preside over public meetings, lead mass mobilisation campaigns, and initiate municipal construction. He renewed contact with his writer friends. “The Pan household,” recalled friend and colleague Zhao Xian, “was always filled with people during the weekends and holidays. There were old acquaintances and friends from literary and artistic circles, democratic personalities, or those who had worked under him. People spoke without reserve and Pan got much information.” (34) He was always well turned out, bore himself with elegance, and smoked English cigarettes his wife’s Hong Kong family supplied. In fact, Zhao Xian was concerned about him during the Three-Anti campaign in early 1952, fearing that Pan could attract public criticism over corrupt thinking and bourgeois lifestyle.

The Gao-Rao affair and power struggle at the top

The Gao-Rao affair came at a time of structural overhaul of state and Party institutions and preparations for the Eighth Party Congress. During the winter of 1952-1953, many regional leaders were called to Beijing in order to strengthen central organs and prepare for implementation of the first five-year plan. Among them were Gao Gang, Rao Shushi, Deng Xiaoping, Deng Zihui, and Xi Zhongxun. Gao went on to preside over the planning commission; Rao was asked to head the Party’s organisation department and the government’s labour department. After a reshuffle in the government, there was to have been one in the CCP Central Committee and Politburo, the two supreme organs that emerged from the Seventh Party Congress at Yan’an in 1945. Now Mao had differences over several issues with some leaders, especially Liu Shaoqi and Zhou Enlai. They shared the same objectives of socialist transformation of the economy and Chinese society, but did not always agree on the methods and timetable for application of their programme, as for instance the details of farm collectivisation, policies towards the market, retention of private property, and so on. Gao Gang often shared Mao’s position, favouring a voluntarist policy to prioritise the state and collective sectors of the economy. In early 1953, Mao used the problems encountered in applying the new fiscal system to severely reprimand the government for having strayed from Party directives. (35) This led to Premier Zhou Enlai abandoning the Party coordination structure (dangzu gangshihui) and letting sectoral components report directly to the Politburo or, in other words, Mao. Zhou’s real powers were thus significantly reduced. He was confined to foreign affairs, whereas Gao Gang was allowed to oversee eight industry-related ministries thanks to his chairmanship of the planning commission. (36)

In the ensuing months, Mao set about systematically cracking down on “Rightist tendencies” among his Politburo colleagues Liu Shaoqi, Zhou Enlai, and the Rural Works Department head Deng Zihu, who advocated “the need to solidate the new democratic order” (gonggu xinminzhu zhiyizhi), preservation of the “four great freedoms” (sida ziyou), and “real protection for private property” (quebao siyou caichan). During a conference on finance and econ-

34. Wu Jemin, “Hu Junhe yu Pan Hannian yuan’an” (Hu Junhe and the unfair trial of Pan Hannian), in Dang’an chunqiu (Archival chronicles), 2008, no. 11, pp. 18-23. Notably, the author interviewed Hu’s wife, Zhao Shangyun, who lived with him from the 1930s onwards. Hu (1907-1993) spent 28 years in jail. He was rehabilitated in the 1980s and was accorded a comfortable retirement as a Shanghai municipal police official.
35. On Pan’s activities during this period in Shanghai, see the articles in the section “Xin Shanghai de fushizhang” (deputy mayor of new Shanghai) in Pan Hannian zai Shanghai, op. cit.
37. The new fiscal system unified various existing taxes and established a principle of equality between public and private firms in tax matters. But Mao saw it as an error of “Right opportunism” (nouying jihu zhouyi) and “dispersivism” (fensan zhouyi).
Pan as victim of the Gao-Rao affair

Gao committed suicide on 17 August 1954 and Rao became the sole target of the purge. In Rao’s former fief – eastern China – his critics reopened a case that had been suppressed for three years, of the use of double agents or turncoats by the Shanghai police between 1949 and 1951. At the same time, accusations against Rao Shushi escalated. In the autumn of 1954, the public security ministry officially resumed a criminal investigation. Double agent Hu Junhe and former Shanghai police chief Yang Fan were picked up having built an “anti-Party alliance” to seize power. A series of meetings were held in Beijing, and then in the former jurisdictions of the duo – Manchuria and East China – to denounce their past and current mistakes and to sweep out their adverse influence in the Party and government.

Charges of counter-revolutionary crime against Pan were made public on 16 July 1955. Pan had dealt with several senior Party leaders during his career, enjoyed great popularity among CCP cadres and writers, artists, and capitalists of Shanghai as well as among prominent non-Communists in China and abroad. A lot of them sought effective proof of his treachery, especially those who had been part of his clan.

On the conference proceedings, see Bo Yibo, Ruogan zhongda juece yu shijian de huigu (Reflections on some decisions and major events), Beijing, Zhonggong zhongyang dangxiu chubanshe, 1991, 1994, pp. 231-254.

At the national conference, Mao spoke of two anti-Party cliques led respectively by Gao Gang and Rao Shushi. He specifically named Yang Fan as a member of the Rao clique. At the end of the conference, he urged cadres to report to the Party, either orally or in writing, their mistakes linked to the Gao-Rao affair and their undisclosed past mistakes.

Pan’s name is given in the Latin letters in the original text.

39. On the conference proceedings, see Bo Yibo, Ruogan zhongda juece yu shijian de huigu (Reflections on some decisions and major events), Beijing, Zhonggong zhongyang dangxiu chubanshe, 1991, 1994, pp. 231-254.

40. At the national conference, Mao spoke of two anti-Party cliques led respectively by Gao Gang and Rao Shushi. He specifically named Yang Fan as a member of the Rao clique. At the end of the conference, he urged cadres to report to the Party, either orally or in writing, their mistakes linked to the Gao-Rao affair and their undisclosed past mistakes.

Pan’s name is given in the Latin letters in the original text.

41. Pan’s name is given in the Latin letters in the original text.

42. Yang Shangkun nij, vol. 1, 4 April 1955, p. 182.
destine Communist network. The intelligence sector faced great pressure as criticisms swirled within the Party. Disarray reigned as cadres from the ministries of public security, supervision, and state security met for a national conference. Zhou Enlai sought to reassure them while referring to the Pan Hannian affair: “What are you afraid of? It was I who knew Pan the longest and our relations were the strongest. If I don’t worry about myself, why do you?” (40) That said, Zhou quickly put together an investigation team led by general Li Kenong, who was then one of the seniormost officials in charge of civil and military intelligence. The investigators reviewed the correspondence between Pan and the central leadership from March 1939 to August 1948. At the end of three months, Li Kenong signed a detailed report on 29 July 1955 addressed to the Politburo and the Central Committee secretariat. He showed that all of Pan’s activities were in line with central directives, and that he had regularly reported to central leaders, be it in respect of contacts with Japanese secret services or the use of double agents of the collaborationist regime such as Li Shiqun, Hu Junhe, and others. Li Kenong also stressed the decisive character of intelligence provided by Pan in some of the Party’s decisions. He said there had never been a leak of organisational secrets until Shanghai’s liberation, and that some of Pan’s links continued to feed the intelligence services at the time of the investigation. He concluded by recommending prudent handling of the Pan affair. His report was sent to the leadership mentioned above but evoked no response despite three successive reminders. (44)

Zhou Enlai was not alone in doubting the fairness of Mao’s decision. Another Politburo member, Zhang Wentian, who had known Pan extremely well, told his wife that Pan’s indictment lacked all proof and that the Politburo had never discussed it. (45) As for Chen Yun and Liao Chengzhi, two veterans and former comrades of Pan, they were among the first, after Mao left the scene, to demand his rehabilitation despite intra-Party opposition. (46) Mao’s unshaking resolve led to the total destruction of Pan Hannian and his wife, Dong Hui. In Shanghai alone, the Pan affair led to action against a thousand people, of whom 800 were arrested and condemned to jail terms; some 200 others suffered unfair treatment, which had implications for their families and descendants. Most of them were Communist cadres and agents who were part of Pan’s intelligence team, KMT turncoats, contacts forged through united front work, friends, and relatives. (47)

**Conclusion: Mao and the management of intra-Party matters**

Over the following years, Mao publicly mentioned Pan Hannian several times. Thus at the October 1955 Sixth Plenum of the Seventh Party Congress, he referred to Pan as a counter-revolutionary who had evaded the Yan’an zhengfeng (campaign to rectify the Party’s working style in 1942-1943). Less than a year later, in his major speech “On the Ten Major Relationships,” he said of the “counter-revolutionaries” Hu Feng, Pan Hannian, and Rao Shushui: “We don’t have them executed, not because their crimes don’t deserve capital punishment but because such executions would yield no advantage.” He repeated this on 30 January 1962 at the Conference of 7,000 (qiqianren dahu), saying, with extraordinary levity, that Pan had gone over to the Kuomintang and had been an agent of the Central Club faction. (48) The aim of the meeting he was addressing was to take stock of the catastrophic Great Leap Forward (1958-1961).

A question that arises is why Mao was so intent on condemning Pan, who had never taken part in the Gao-Rao manipulation and had never acted against the Communist cause or Party unity. (49) Mao’s real aim might have been to use the Rao-Pan-Yang affair to arouse within the Party a
more acute sense of class struggle and a more constant fear of infiltration by hidden enemies. The Pan Hannian affair came at the start of the campaign to eradicate counter-revolutionaries in the state apparatus (neibu sultan). During the previous campaign to rectify the Party’s workstyle at Yan’an in 1942-1943, thousands of Communist activists and cadres suspected of being infiltrators suffered the worst persecution. This “internal” terror had the specific aim of “upholding the basic principles and disciplinary rules of the Party.” This was Mao’s explicit message in speaking of the lessons from the Rao Shushi-Pan Hannian affair.

As per Leninist dogma, the Communist Party is the instrument of revolutionary leaders to capture power and realise their transformation projects. In order to preserve combat readiness, the troops need to be purified through regular rectification tests, combating revisionist ideas, and unmasking hidden enemies. For this, the sacrifice of some individuals would be a striking lesson to guide the Party and the masses. During the bloody campaign to eradicate counter-revolutionaries in 1951-1952, Mao had already stressed this educational dimension by speaking of imparting to the population a living lesson and powerfully buttressing the new regime’s political authority.

Mao had greatly appreciated Pan’s talent and success. But the Party no longer needed his services as much, now that it had cornered the near totality of resources in the political arena. On the other hand, the Pan Hannian affair would help Mao intimidate and bring to heel senior Party leaders. Yang Shangkun recalled that on hearing Mao’s harsh words against Pan on 5 April 1955, “The atmosphere in the auditorium suddenly grew tense. Central Committee members, including myself, never expected it. We were all surprised; we never thought the Gao-Rao affair could come to this.”

Yang noted, “Several comrades in the Party secretariat [shujichu] and Central Committee members spoke, voicing their support for the Chairman’s directive to draw the whole Party’s attention to the issue.”

Is there a link between the Pan Hannian affair and the power struggles of the 1950s? Evidently, in Mao’s eyes, Right opportunism was being manifested not only in the organisational domain but also in the Party’s overall comportment. It should be borne in mind that the Gao-Rao manipulations started out by sowing discord between Mao and other top leaders. Mao readily drew a parallel between his concrete policy orientation and his revolutionary discourse on class struggle. With such juxtaposition, he could build up an all round dominant position – on the policy line, organisation, and theory. Despite the great prestige he enjoyed in the Party and the country, there seemed to be a certain vague competition between Liu Shaoqi and himself. Times had changed: China was no longer at war, and Mao had to more often than not measure up to his colleagues in socio-economic and technical competence, and no longer just in military strategy.

* Translated by N. Jayaram