

Predicament and Countermeasures of Taiwan's Food System Operation in Post-war Era (1950-1953)

Sian-wei Zeng

ABSTRACT

After the ROC government retreated to Taiwan in 1949, research topics regarding how to survive in Taiwan without the Mainland and how to build the foundation for Taiwan's future historical development have attracted much attention. Existing economic history studies focus mainly on the latter; that is, how food policies impacted Taiwan's economic development. As to the survival issue, the discussions presume that food policies can always be perfectly executed, so that the disparities between institution and performance are often ignored. This article takes the food system as an example, observes it in a broad context, and explains how structural factors, such as financial operations of independent national economies, interaction of different administrative agencies and stakeholders, and influence of the United States under the Cold War, caused the predicament of food system operation. As a result, corresponding countermeasures had to be adopted, illustrating the interaction between system design and practice.

In the context of economic institution restructuring, the government established a system for rice supply and marketing in 1950-1953. Rice served multiple functions at that time, as a staple to meet the increasing demand of the growing population and also as an export item. With diverse administrative agencies involved, conflicts were bound to arise due to their different stances, which subsequently caused insufficient grain stock in 1952. In addition, farmers, landlords and grain merchants took advantage of the prevailing predicament to seek profits, leading to price fluctuations of rice.

Faced with grain shortage, the government took the opportunity to transform the fertilizer-rice bartering system (肥料換穀). Under the new system, farmers had to pay 30% of their grain every time in exchange for fertilizers. Moreover, the government put the blame of grain shortage on the uncooperative administrative agencies. Using pressure from Chiang Kai-shek and the United States, the government established a grain budget

management system, enabling the Grain Bureau (糧食局) to take the lead in grain procurement and distribution, thereby concentrating and centralizing the grain management power while eliminating constraints from other administrative agencies. In this way, a new stable institutional structure took shape, thus closing loose institutional gaps and narrowing room for manipulation.

Keywords: Food System, Grain Bureau (糧食局), Fertilizer-rice Bartering System (肥料換穀), Food Budget, Cold War