CHINESE RURAL ORGANIZATION: 1959—1969

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C O N T E N T S

P R E F A C E

This dissertation is a study of Chinese rural organization from 1959 to 1969. The term 'organization' in the title is used in a loose sense and it is meant to include rural institutions, agricultural policy and the politics of Chinese agriculture.

Since China's economy depends a great deal on agriculture and the objective of the Chinese Communist Party is to industrialize China as rapidly as possible, rural organization and agricultural policy assume a position of centrality in China's developmental strategy. Also, the Chinese Revolution was a peasant revolution but the ideology of the Chinese Communist Party was derived from Marxism-Leninism and the economic programme of the Communist Party of the Soviet Union which was an expression of the urban worker-led October Revolution. The Chinese leaders, therefore, had to adapt the Soviet model of economic and socialist construction to Chinese conditions which are very different from those of the Soviet Union.

The result of these two factors has been to make agriculture and rural organization perhaps the most controversial subjects in the history of the Chinese Communist Party after 1949. This dissertation, therefore, takes as its focus Chinese rural organization between 1959 and 1969, but the whole range of factors - social, political and economic - which influence it are examined.

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Chapter I

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A. The Role of Agriculture

Since the days of the Yenan revolutionary base areas the Chinese Communists have faced the problem of raising agricultural production without investing the scarce resources at their command. In the Yenan period their chief objective was to finance the civil war and feed the army and population of the base areas. It was here that the Chinese Communist Party (CCP) learnt its first lessons in the use of cooperative institutions to organize its supporters in the countryside, and educate its cadres and the rural masses by familiarising them with the organizational techniques and advantages of collective farming to which it was firmly committed as a long term policy for the social, political and economic transformation of China. Experimentation with rudimentary forms of cooperation in this period - such as mutual aid teams - thus served two functions. Firstly, the peasants gained experience in cooperation. The CCP was convinced that only a collective organization of the labour force and the eventual collectivization of all land, draught animals and farm tools, would raise agricultural production. Secondly, the cooperative organizations which replaced the old institutions were penetrated and led by CCP cadres and this enabled the Party to control the countryside. After Liberation this control

would be useful to prepare and shape the rural sector for the role it would have to play in China's future socialist economy.[1] Generally speaking, the twin aims of increasing production by institutional reform of agriculture, and using these institutions to involve the rural masses in this task remained the chief tenets of the Chinese leadership's agricultural policy upto the late 1950's when the economic disaster of the Great Leap Forward (GLF) forced it to acknowledge the limitations of institutional reform and the need for a simultaneous modernization of the techniques of agricultural production.[2]

After 1949, the realization of these aims became even more pressing as the task now was to raise agricultural production as rapidly and significantly as possible in order to generate the surplus required for the industrialization of China. At the same time if the surplus was not to be dissipated in raising the level of consumption, the population, particularly in the rural areas, would have to be sufficiently controlled so that it accepted austere standards of living. In tackling both these problems the initial

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1. For a discussion of village organization in the base areas in the pre-Liberation period, see Franz Schurmann, Ideology and Organization in Communist China (Berkeley, Los Angeles, London: University at California Press, 1970), pp. 412-425. See also Peter Schran, "On the Yenan Origins of Current Economic Policies", in Dwight H.Perkins (ed.) China's Modern Economy in Historical Perspective (Stanford: Stanford University Press, 1975), pp. 279-302; and Mark Selden, The Yenan Way in Revolutionary China (Cambridge: Harvard University Press, 1971).

2. This theme will be developed in chapter III.

policy of the CCP was to "Learn from the Soviet Union". In economic strategy this slogan essentially meant the adoption of the so-called Stalinist model of development. The basic goal of the CCP - as it had been of the Communist Party of Soviet Union in the 1920's and 1930's - was to catapult their war-torn and underdeveloped country to a position of equality and even superiority among the modern industrialized nations. In order to achieve this China had to create a basic heavy industry infra-structure in a very short time. This entailed a massive investment in modern capital-intensive industries such as steel, coal, electric power, petro-chemicals, machine building, armament production, etc. This meant that in terms of investment agriculture would be relatively neglected. As in the Soviet Union, the CCP hoped to accumulate the surplus for investment in industry by buying agricultural produce at prices lower than the market rates and by enforcing high rates of saving and investment in industry through the collectivization of agriculture. Furthermore, besides the similarity of economic objectives and the common political ideology shared by the People's Republic of China and the USSR in its earlier years, the Soviet Union, in contrast to the hostile Western powers, was ready to support China's industrialization programme and provide the finance and technical know-how which China woefully lacked.

In the autumn of 1952 it was announced that the First Five-Year Plan (FFYP) was to begin in the following year. The People's Daily editorial of 16 September 1953, which set out the main aims of the Plan, revealed how closely the Chinese economic strategy was to follow that of the Soviet Union. These aims were as follows:

(1) The development of the capital-goods industries should be such as to promote the rapid growth of heavy industry.

(2) The rate of growth of the capital-goods industries should exceed that of the consumer-goods industries.

(3) The development of agriculture should be directed to ensuring adequate supplies of grain and industrial raw materials and to increasing the agricultural surplus with which to finance industrialization.

(4) The rate of growth in labour productivity should be greater than the rise in wages in order to ensure accumulation of capital. (3)

It is obvious from the above that agriculture was given the role of a 'holding operation' : i.e., it was to be a source of accumulation for the development of industry. Of the total investment during the FFYP, the share of the agricultural sector was only 7.6 percent.[4] As compared with this meagre investment the rural sector was expected to perform numerous vital functions. It had to feed China's

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3. Cited in T.J. Hughes and D.E.T. Luard, The Economic Development of Communist China, 1949-1958 (London: Oxford University Press, 1959), pp. 38-39.

4. Li Fu-ch'un, "Report on the First Five-Year Plan, 1953-57", July 5-6, 1955. Text reprinted in Robert R. Bowie and John K. Fairbank, Communist China, 1955-1959: Policy Documents with Analysis (Cambridge: Harvard University Press, 1962), p. 50.

rapidly growing population; supply raw material for manufactured goods which use farm produce; provide produce for export in order to earn foreign exchange which would finance the imports of equipment for industry and materials for construction; and finally, it was expected to transfer most of its surplus for investment in industry. All this makes amply clear the extent to which the success of the industrialization programme depended on a steady growth of agricultural production. In the absence of much capital investment how was China's agriculture which was still operating on the basis of traditional techniques, to match up to these herculean tasks? The CCP's answer to this question, as we have said earlier, was institutional reform. As Kang Chao puts it: "Collectivization was ..... viewed explicitly as a developmental policy, one capable of raising productivity without state investment".[5]

Here it must be pointed out that while Soviet aid to China was substantial, it was by no means free. The loans had to be repaid in scarce and hard-earned foreign exchange. Also, unlike developed countries, China did not have the advantage of favourable international trade which would reduce its dependence on the surplus generated by agriculture.[6]

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5. Kang Chao, Agricultural Production in Communist China, 1949-1965 (Madison: University of Wisconsin Press, 1970), p. 19.

6. See Arthur G.Ashbrook, Jr., "Main Lines of Chinese Communist Economic Policy", in An Economic Profile of Mainland China, Joint Economic Committee of the U.S. Congress (New York, Washington, London: Fredrick A.Praeger, 1968), pp. 24-26.

At the same time the traditional constraints on Chinese agriculture were enormous and could not be overcome within a short time. Barely 11 percent of China's land was under cultivation, whereas more than 80 percent of the total population lived in rural areas.[7] The small proportion of cultivated land, when compared with China's huge population gave the unfavourbale man-land ratio of 2.6 mou, or about 0.4 acre, per person.[8] Estimates about the reclaimable land vary from 10 percent to 20 percent of the total area.[9] However, any programme of reclaiming even a small portion of this land would require very heavy investment which would be at the expense of investment allotted to land already under cultivation.

Given these unfavourable conditions, the Chinese had over the centuries developed a system of highly intensive farming and land utilization. According to Dwight H.Perkins, by the time the CCP came to power, agricultural productivity had advanced as far as traditional practices and methods would permit.[10] But the Chinese leaders believed that expensive technical innovations and far-reaching mechanization could be postponed if a "socialist transformation of agriculture" was brought about.

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7. Chao, n.5, p.4. See also Marion R.Larsen, "China's Agriculture under Communism", n.6, p. 205.

8. Chao, n.5, p.4. This figure was for 1957 computed from official data given in Ten Great Years : Statistics of the Economic and Cultural Achievements of the People's Republic of China (Peking: Foreign Languages Press, 1960).

9. Ibid., p. 4.

10. Dwight H.Perkins, Agricultural Development in China, 1368-1968 (Edinburgh: Edinburgh University Press, 1969) p. 29.

B. The Institutions of the Socialist Transformation of Agriculture

By September 1952, China had completed agrarian reform. 700,000,000 mou of land was distributed to about 300,000,000 landless and land-poor peasants, giving every peasant an average of about 2.32 mou of land.[11] The result of this massive redistribution of land was to further expand the small-peasant economy in China's countryside. However, there was no rigid egalitarianism in the distribution of land or draught animals and farm implements. Therefore, except for the elimination of the landlord class and the redistribution of their land and assets, the rural class structure remained substantially as it had been before 1952.[12] It was soon realised that the private, small-scale agricultural economy, besides impeding technical innovation and capital formation, was incapable of producing an adequate surplus for the market. The next task before the CCP, therefore, was to persuade a vast majority of the peasantry that by consolidating their fragments of land into collectives and pooling their resources and labour they would increase production which was essential both for the further development of the national economy and for improving their own standard of living.

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11. This figure calculated on the basis of data provided in Liao Lu-yen, "The Great Victory of Agrarian REform Movement", 26 September 1952, New China News Agency text in Current Background no.718, p.18.

12. See Tung Ta-Liu, Agricultural Cooperation in China (Peking: Foreign Languages Press, 1958), pp.11-12.

In December 1952, the Central Committee of the CCP took the first step in this directon by adopting a resolution called "Decision on Mutual Assistance and Cooperation in Agricultural Production".[13] This resolution recommended three types of cooperative institutions which were to be adopted in a phased, "step-by-step" manner. These were: (1) the seasonal or temporary mutual aid team and the permanent mutual aid team, (2) the semi-socialist agricultural producer's cooperative, and (3) the fully socialist agricultural producer's cooperative or collective. Before examining how between 1952 and 1957 the CCP succeeded in imposing this sequence of increasingly higher forms of socialistic institutions on the countryside and with what results, I will briefly describe the main features of each of these three institutions.[14]

(1) The mutual aid team

The chief idea underlying this arrangement was that the poor peasants who lacked farm tools and draught animals and the middle peasants who were short of labour would combine their resources for mutual benefit. Thus, either on a seasonal or a permanent basis, the poor peasants would exchange their labour for the use of scarce farm implements

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13. Cited in Hughes and Luard, n.3, p. 142.

14. The following account is primarily based on Kenneth R. Walker, "Collectivization in Retrospect: The 'Socialist High Tide' of Autumn 1955-Spiring 1956", The China Quarterly no.26 (April-June 1966), pp. 5-6.

and draught animals. Ownership of all three items - land, animals and implements - would continue to remain in private hands. Therefore, mutual aid teams combined private resource ownership with collective labour. Soon after land reform was completed this type of mutual aid team was extended to most parts of China.

(2) The semi-socialist cooperative

This was to grow naturally, or organically so to speak, out of permanent mutual aid teams; firstly, by merging teams and extending the scope of united management, and secondly, by adding new socialist elements such as the acquisition of tools and draught animals which would be financed out of funds provided by members and would be collectively owned and managed. Conditions would be ripe for amalgamating "advanced" teams to form cooperatives when (1) they had acquired considerable experience (2) they could supply the cadres necessary to run cooperatives (3) input and income had arisen significantly enough to provide the "material basis" for cooperatives and (4) the political consciousness of the peasants had reached an appropriate level. Once these conditions had been satisfied, persuasion via the example of model cooperatives was to be used to convince the peasants of the economic advantages of pooling their land which they would continue to own but which would be centrally managed by the cooperative authorities. They would also be given the

right to withdraw from the cooperative whenever they wished. The incentive to join was to be provided by a distribution system which rewarded labour put in by each member and the productivity of land and other capital (implement, draught animals, etc.) they pooled together.

The advantages of such cooperatives were formulated in ten points in the Central Committee's "Decision on the Development of Agricultural Producer's Cooperatives" adopted on 16th December 1963.[15] These are worth quoting in detail as they constitute an elaborate and comprehensive rationale of the cooperative movement which covered the whole of the Chinese countryside by 1957.

The ten points were:

(i) Agricultural producer's cooperatives (APC's) can solve certain contradictions (in particular the contradiction between collective labour and decentralized management) which are difficult for mutual aid teams to overcome.....

(ii) The centralized management of land allows for the planting of crops on the soil most suitable, the carrying out of division of labour and the assignment of specific work based on collective labour in a more rational and planned way than can be achieved by mutal aid teams and the rational pooling of labour power when required.....

(iii) With centralized management, more labour power and economic power are made available, this makes for a fuller and better use of new farming techniques, enables the introduction of changes in techniques, and facilitates capital construction.....

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15. Full text of this document reprinted in the booklet Cooperative Farming in China: Decisions on the Development of Agricultural Producer's Cooperatives Adopted by the Central Committee of the Chinese Communist Party (Peking: Foreign Languages Press, 1954).

(iv) As a result of increased economies of labour time and labour power, it will become possible to develop subsidiary production on an extensive scale and consequently strengthen the peasant's economic position.

(v) By following.... a system of distributing income according to the actual amount of work done, APC's can greatly stimulate the peasant initiative and creative activity for their work, and for learning new techniques.

(vi) APC's are able to ensure unity between the poor and middle peasants and are thus in a better position to struggle against capitalistic activities and against any possible division into rich and poor grouping in the countryside.

(vii) APC's are able to advance step by step towards planned production. This will create a condition in which co-ordination with the state-owned socialist economy in the fields of supply, production and marketing is facilitated, thus opening the way for the integration of agricultural production into the state economic plan.

(viii) Because "they are going the right way, and are increasing income and output", the APC's can draw the individual peasants in increasing numbers and at an increasing rate, into mutual aid teams, and thus pave the way for the development os still more APC's.

(ix) With advantages of collective management and the growing improvement in the peasant's standard of living, the APC's become an excellent school, in which the peasants learn collective work and a truly patriotic attitude.....

(x) ..... the APC's in their present form are the suitable form through which the peasants can be led to APC's of a more advanced thpe (collective farms) which are of a completely socialist character ... This will enable individual peasants and those who have joined mutual aid teams to be quite prepared in advance, both materially and psychologically, for the day when they come to be a completely

> socialist agricultural economy, instead of being taken by surprise; thus it will be possible to avoid losses which might occur if there were an abrupt change. (16)

3. The fully socialist cooperative (collective)

These were the equivalents of Soviet collective farms and were to be formed after sufficient experience in managing semi-socialist cooperatives. All resources except some land for subsidiary occupations would be collectivized, and distribution would be primarily according to labour productivity. In 1953, the formation of such collectives was not expected for quite some time. It was only after the formation of more semi-socialist cooperatives was given a fillip by Mao in 1955 that the transition to fully socialist cooperatives was expected to be completed by 1960.[17]

From point (iii) of the lengthy quotation from the 1953 "Decision" of the Central Committee given above (in the sub-section on the semi-socialist cooperative) it is clear that any improvements in agricultural techniques were to be through labour-intensive methods and with the help of funds internally accumulated by the cooperatives and not by state investment through a programme for providing machines for agriculture. At the same time the

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16. Ibid., pp. 7-9.

17. See Preface by Mao Tse-tung to the book Socialist Upsurge in China's Countryside (December 27, 1955). Reprinted in Bowie and Fairbank, n.4, pp.117-119.

Government held that as in the Soviet Union full-scale collectivization (or creation of fully socialist cooperatives) could not be implemented until agriculture had first been mechanized, i.e., collectivization was to follow mechanization. This policy underwent a fundamental change in 1954. According to Kenneth R. Walker, in this year the conditions for cooperativization and collectivization came to be equated and the relation between mechanization and collectivization was reversed; collectivization became a prior condition of mechanization.[18] To quote:

> Technical reform of agriculture ceased to be associated primarily with mechanization. Although the need for mechanization was not refuted, it was regarded as the final step in a long series of more urgent and practicable improvements which could be introduced by mobilizing the vast pool of underemployed labour in rural China. Most measures were to be designed specifically to raise crop yields and included.... labour intensive water-conservation works, accumulation and application of natural fertilizers, the close planting of rice ... extension of double and even treble cropping, use of superior seed strains, and improved farm implements pulled by animals, not tractors. Equally important was the assertion that these technical innovations could only be implemented if agriculture was cooperativized since cooperative farming alone could mobilize the resources required (including a higher rate of investment). The main thesis advanced at this time, therefore, was that the first stage of a programme for agricultural development must be to effect the "social reform" of agriculture (or the creation of cooperatives followed by collectives) which would give rise to the second stage - the "technical revolution" - culminating eventually in mechanization, following collectivization.

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18. Walker, n.14, p.7.

> The new analysis made agricultural growth more a function of socialist organization than the amount of industrial assistance available; institutional reform would permit technical advances which were largely <u>independent</u> of industry. (19)

This thinking dominated the CCP's agricultural policy up to 1960. The important change made was a drastic acceleration in the pace of cooperativization from 1955 onwards which culminated in the establishment of full-scale collectives (or "higher-stage APC's) in 1957 and the rural people's communes in 1958. Let us now briefly trace the "step-by-step" policy and examine the factors which compelled the CCP to jettison gradualism and go in for bigger and bigger units and larger and larger doses of collectivization in the organization of agricultural production.

C. <u>The Socialist Transformation of Agriculture</u>

From the very beginning there seem to have been differences within the CCP leadership about the nature and speed of agricultural cooperativization. For instance, Teng Tzu-hui, Director of the Rural Work Department of the Central Committee of the CCP, seems to have belonged to the camp of those who wanted a gradualist approach. In a speech delivered before the Second National Congress of the New

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19. <u>Ibid</u>., p.8. Emphasis in original.

Democratic Youth League in July 1953,[20] he argued that it would be "adventurist" to enlarge the mutual aid teams hurriedly and add more socialist features to them. According to him, such attempts could lead to alienation from the peasants and have an undesirable effect on production. In his view, only when the permanent mutual aid team and the semi-socialist APC's were so successfully run "that production increased, costs (of production) lowered, and income of the members substantially raised and when all peasants attained a prosperous life", would "the peasants be convinced of the superiority of collective production".[21] He implied that this would happen not before the completion of two Five Year Plans, viz., 1962. By then, he argued, industry will have developed to the point where it could "supply agriculture with machines" and socialist collective farms would "begin to develop and grow on Chinese soil". In the meantime the policy of "permitting the rich peasant economies but restricting their development must be strictly adhered to", and the interests of small peasants must be protected and their ownership of land and property must be "respected".[22] In short, Teng was appealing to the Party to respect incentives in order to maintain and increase agricultural production, and asked it to recognize that

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20. Teng Tzu-hui, "China's Basic Tasks in Rural Areas", People's China no.17 (September 1953), pp. 9-11.

21. Ibid., p. 9.

22. Ibid.

a slow "step by step" demonstration of the superiority of collective farming was the only way by which China's conservative and land-hungry peasantry would accept collectivization.[23]

On the other hand, there were other leaders who felt that the "advocation of the slogan of socialist remoulding of agriculture right now is not immature..." This view was expressed in the People's Daily editorial of November 25 1953.[24] An earlier editorial in the People's Daily on the same theme[25] had said that inspite of the "unprecedented" rise in peasant initiative for production and cooperative farming following agrarian reform, state aid to peasants, and restoration and rehabilitation of the economy, "many small peasants" had been reduced to a "state of poverty and want" on account of "calamities and other causes". It cited instances of villagers selling nearly 50 percent of their newly gained land due to grave economic difficulties. Small-peasant economy had made "it impossible to develop

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23. This is explicitly stated in Teng Tzu-hui, "Report to the Rural Work Conference... New Democratic Youth League, July 15 1954". Text in Chao Kuo-chun, Agrarian Policies of Mainland China (Cambridge: Centre for East Asian Studies: Harvard University, 1957), pp. 70-79.

24. "Consolidate the Workers and Peasants Alliance to Ensure the Realization of the General Line", People's Daily editorial, November 25 1953. Text in Survey of China Mainland Press (hereafter SCMP) no.701, p.21.

25. "Lead the Peasants to Take the Path of Prosperity for All", People's Daily editorial, November 16 1953, SCMP no.701, pp. 22-25.

the potentials of agricultural production" and prevented "the use of modern machines and undertaking (of) large-scale irrigation works".[26] Meanwhile, the rate of increase in demand of grain had surpassed the rate of increase in grain production. In case of a failure to greatly increase agricultural production serious difficulties were "bound to occur" when the peasantry's lot could not be bettered and prices could not be stabilized - a situation which would "undermine state plans and hinder the normal development of industrial and agricultural production". Finally, the editorial called for an immediate enlarging of agricultural units to arrest class polarization in the countryside.

The December 1953 Central Committee resolution was adopted with these differences in the background, and its highly cautious approach prevailed until August 1955. However, it called for an increase in the number of semi-socialist APC's as and when conditions were favourable because according to the resolution, the APC's inspite of the preliminary stage of development had already shown their superiority. By spring 1954 there were 95,000 semi-socialist APC's covering a little more than 2 percent of the total sowing acreage with 1,700,000 peasant families as members.[27]

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26. At this stage, as the December 1953 Central Committee resolution was to disclose, only 43 percent of all peasant households had joined cooperative institutions, and there were only 14,000 semi-socialist APC's with about 273,000 households.

27. "Concentrate Strength on Consolidation of the 95,000 Existing Agricultural Producer's Cooperatives". People's Daily editorial, 26 May 1954 in SCMP no. 822, p. 23.

Teng Tzu-hui now asked for the consolidation of the existing APC's rather than further increasing their number.[28] This was because the working of the APC's was far from smooth. "Deviations", such as leap-frogging to "higher forms" irrespective of objective conditions and violation of the principle of "voluntarism" by resorting to economic and psychological sanctions, were widespread. Uncertainty about the future resulted in occurrences reminiscent of Russia's painful collectivization in the late 1920's. Many peasants slaughtered their animals, chopped down trees, and spent all their savings rather than give them to the collectives. The Government claimed that the "deviations" were due to cadre inexperience and took measures and to improve their work, but the central dilemma of all communist regimes intent on cooperativization remained: in order to increase production a certain degree of private ownership and incentives had to be retained; and yet control over distribution in order to ensure sufficient savings and investment was only possible through greater cooperativization.

Already (in early 1955) this dilemma was becoming acute as the slow growth in agricultural production in the first two years of the FFYP was beginning to hamper the industrialization programme. For instance, the opening words of the State Council's "Resolution on the Spring Production Work" (March 1955) said:

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28. Ibid.

> If growth of agricultural production does not catch up it is bound to affect the First Five-Year Plan, the speed of industrialization, continuous improvement in the standard of living and thus the consolidation of the rural-urban alliance. (29)

The increase in grain production was considerably below the planned targets, and cotton production had actually declined in 1953-1954.[30] The targets of growth in these sectors in the FFYP had been scaled down by the time the Plan was introduced to the National People's Congress by Li Fu-ch'un in 1955, and any further reduction would mean making do with less than the planned growth rate of 14.7 percent per annum in industry,[31] and a commensurate reduction in the planned overall rate of growth. This was unacceptable to Chinese leaders who wanted to catch up with the advanced nations in the shortest possible time. Related to the problem of an inadequate agricultural growth rate was the problem of the supply and control of grain. Grain consumption had gone up in the rural areas as a result of

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29. Cited in Walker, n. 14, p. 22.

30. Ibid., p. 25. The growth in grain production was 1.7 percent in 1953-54 as against the target of 4.6 percent per annum for the period 1953-57. As against a target of 4.6 percent per annum, cotton production had a negative growth rate of 9.4 percent in 1953-54.

31. Li Fu-ch'un, n.4, p. 61.

land reform without any significant rise in production.[32] In 1955, Government procurement was hindered by deficit production in some areas, and coercive methods had to be used to make the peasants part with more than the quotas previously fixed for their areas. Serious food shortages strained the relations between cadres and peasants, and several mutual aid teams and APC's were beginning to disintegrate.[33] Mao was soon to complain that an unauthorised "drastic compression" (i.e., dissolution of existing APC's) had taken place in several areas.[34]

In this situation, the supporters of even speedier cooperativization pointed to the higher crop yields claimed by cooperatives, their ability to fight natural calamities and mobilize underemployed labour, and the support among poor peasants for cooperatives.[35] The problems of planning

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32. This was because land reform had diverted a large portion of farm surplus from landlords (to whom it was paid as rent) to middle and poor peasants. Due to the lack of suitable industrial goods, the peasants showed a preference for consuming this surplus themselves. Also, though agricultural production had increased as a result of land reform, the standard of living of the peasantry had also improved leading to an increase in their consumption. Thus, the quantity of marketed grain declined in a year in which the harvest was poor, thereby creating serious urban shortages. See Chao, n.5, pp. 21-22.

33. Walker, n.14, p. 28.

34. Mao Tse-tung, "On the Question of Agricultural Cooperation", n. 4, p. 97.

35. See, for example, Liao Lu-yen, "Report on the State of Agricultural Production in 1954 and Measures to Increase Present Production", (March 3 1954) in Rural Work Problems of 1955 (Peking: People's Publishing House, 1955), pp. 10-23.

and cadre inexperience were conceded; but they cited examples of how with greater experience these problems had been solved.[36] Further, it was undeniable that government control over grain distribution became easier where cooperatives had been established. This was because the cooperative manager could control farm produce and meet the state's procurement target before distributing grain to member households. Finally, it was easier for the government to deal with a small number of cooperatives than with some 100 million individual peasant households.[37]

On the other hand, the supporters of the policy of consolidating existing teams and cooperatives before setting up new ones pointed to the evidence of the dislocation caused by the cooperativization campaigns of 1952 and 1954 - planning chaos, peasant and cadre disillusionment, the "deviation" of "commandism" to bring reluctant peasants in line, disruption in production, and alienation of the rich and middle peasants who were the main source of private capital and managerial skills in the countryside.[38] Further,

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36. The book The High Tide of Socialism in the Chinese Countryside (Peking: Foreign Languages Press, 1956) deals with this aspect at length. For a study of this book see Jack Gray, "The High Tide of Socialism in the Chinese Countryside", in Jerome Ch'en and Nicholas Tarling (eds.) Studies in the Social History of China and South-East Asia (Cambridge: Cambridge University Press, 1970), pp.85-134.

37. Chao, n.5, p. 22.

38. See Teng Tzu-hui, "Mobilize All Peasants and Rural Youth to Struggle for Cooperativization of Agriculture", China Youth Journal, April 1954. Text in Current Background, no. 305, p. 2.

there was the lack of a sufficient number of trained cadres, technical experts, and farm implements.

At this point, Mao intervened and threw his weight in favour of accelerating the speed of the cooperativization movement. In his speech "On the Question of Agricultural Cooperation",[39] he gave both economic and political arguments for taking this step. On the economic side, he noted that the gradualist method had not led to significant increase in production. In fact, "the level of production of marketable grain and industrial raw materials is very low - whereas the state's demand for these items grows year by year".[40] Thus the disparity between the growth rates of industry and agriculture made it imperative that agriculture must break out of stagnation or it will retard the development of industry. Thus he remarked:

> Some comrades ..... consider that the prescribed rate of development for industrialization is all right, but that there is no need for agricultural cooperation to keep in step with industrialization ..... These comrades do not understand that socialist industrialization is not something that can be carried out in isolation, separate from agricultural cooperation ... If we cannot jump from small-scale farming with animal-drawn farm implements to large-scale farming with machines.... we shall shall fail to resolve the contradiction between the ever-increasing demand for marketable grain and industrial raw material and the present generally poor yield of staple crops. In that case our socialist industrialization will run into formidable difficulties. We shall not be able to complete socialist industrialization. (41)

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39. Text in Bowie and Fairbank, n.4, pp.94-105.

40. Ibid., p.100.

41. Ibid.

He also pointed out that apart from direct taxation, accumulation of funds was possible only when light industry has sufficiently developed to provide consumer goods to the peasants in exchange for their remaining surplus. This again depended not only on the development of heavy industry (on which light industry depended for a number of inputs), but also on the development of agriculture, as without an increase in the purchasing power of the peasantry increase in production of light industry consumer goods would be of no use. Further, progress in heavy industry too would be of little value unless large-scale cooperative farming had been established so that it could absorb the machinery, power, etc., which heavy industry provided. That is to say, "cooperation must precede the use of big machinery".[42] Thus, according to Mao, cooperativization (which as pointed out earlier had now become equated with full collectivization) would not only raise the peasant's prosperity and purchasing power and thus contribute to the funds for industrialization; it would also pave the way for the technical transformation of agriculture.

All this represented a considerable step forward from the earlier obsession with heavy industry, but Mao did not call for a transfer of funds from industry to the agricultural sector. He believed that cooperativization alone was sufficient for increasing agricultural production,

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42. Ibid., p. 101.

and in the GLF he would add to this prescription the efficacy of "redness". That both these conditions - collective organization and collective spirit - went only part of the way, he was never to acknowledge even after communization failed to deliver the goods and the Party had to increase capital investment in agriculture.

This brings us to the political arguments Mao put forward. These are significant because they anticipate the rationale of the GLF. For Mao, a peasant economy based on small farms could not survive - the small farms would eventually be transformed into either large socialist farms or large capitalist farms. Thus, for Mao, the choice in 1955 was between the "two roads" of socialism and capitalism. To quote:

> What still lingers in the countryside is capitalist ownership by the rich peasants and individual peasant ownership - an ocean of it. Everyone has noticed that in recent years there has been a spontaneous and constant growth of capitalist elements in the countryside and that new rich peasants have sprung up everywhere. Many well-to-do middle peasants are striving to become rich ones. Many poor peasants lacking sufficient means of production, are still not free from the toils of poverty; some are in debt, others selling or renting their land. If this tendency goes unchecked, the separation into two extremes in the countryside will get worse day by day. (43)

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43. Ibid., p. 103.

Unstated by Mao, but implied in the same section of the speech, was his worry that as the influence of the new rich and middle farmer strengthened, the Party's future collectivization efforts would be strongly resisted by them. Consequently, if the Party did not act now, the weak foundations of socialism in the countryside would crumble, class polarization deepen, and soon there would be no basis for voluntary cooperativization.[44] To those in the Party who said that the speed of cooperativization was going beyond "the practical possibilities", the "consciousness of the masses" and "the experience of the cadres", he replied that they underestimated the socialist commitment of the peasants and as for the cadres, cooperativization would be a "splendid schooling" for them.[45] Characteristically, he remarked: "Mere reprimands solve no problem..... Both cadres and peasants will change themselves as they learn from their own experience in struggle".[46]

Thus Mao's diagnosis of the "socialist upsurge" in 1955 is ultimately related to ideas which are the very touchstones of his philosophy - his positive view of the peasantry and his stress upon consciousness which is attained through struggle. The method of creating this

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44. Walker, n. 14, p. 32.

45. Mao, n.4, p. 102.

46. Ibid., p. 94.

consciousness which is the motor of "permanent revolution" is the actual seizure of power and initiative, and his call for action by the masses in 1955 is in line with this policy of "education by political action".[47] After all, by calling for total collectivization by 1960 he himself was going against the Party's policy as embodied in the FFYP, which had been adopted by the National People's Congress only the day before. In fact, Mao's intervention in 1955 was the first expression of his unique vision of how China must build socialism and its main successors are the GLF and the Cultural Revolution in which he was to more fully develop the idea that consciousness can be a powerful motive for action and can help promote national development, or in his own words, "a great spiritual force becomes a great material force".

The direct impact of Mao's speech was to end the controversy about the nature and speed of cooperativization in the Party and to drastically accelerate the speed of cooperativization.[48] 63.2 percent of all peasant households in China joined fully socialist collectives within one year

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47. See Jack Gray, "The Two Roads: Alternative Strategies of Social Change and Economic Growth in China", in Stuart R. Schram (ed.), Authority, Participation and Cultural Change in China (Cambridge: Cambridge University Press, 1973), pp. 115-116.

48. Ch'en Yi stated in November 1955 that Mao's report had "settled the debate of the past three years" on the question of cooperatives. See Bowie and Fairbank, n.4, p. 3.

of Mao's speech.[49] This speed was much greater than that called for Mao and the stage-by-stage manner he advocated was often not heeded by the lower-level rural cadres. This phenomenon was to be repeated again at the height of the GLF and may be considered a feature of the Chinese polity at this time. Cadres who were under pressure from the centre to produce quick results and at the same time felt hemmed in by unresolved local problems often preferred to start anew with new organizations without solving the old organizational and other problems.

Kenneth R. Walker offers two main reasons for the excessive acceleration in the speed of cooperativization and leap-forgging of stages in 1955-56.

(1) Cadres had not assessed rent payable to land shareholders in the cooperatives to the satisfaction of either those heavily dependent on rent in their standard of living or the poorer peasant members, who owned little land but relied overwhelmingly on the wages of labour for their income.

(2) At the beginning of 1956 cadres were under intense pressure to effect a technical breakthrough in agriculture in the shortest possible time. This was associated with the publication of the Twelve-Year Plan for Agriculture and the directive to attain First Five-Year Plan targets a year earlier in 1956. The move to collectives was believed to be the answer, especially since the land rent payments, which would be abolished with collectivization of land, could be diverted (at least partly) to investment. The larger scale of collectives and the stricter government control possible over their affairs were

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49. Walker, n. 14, p. 34.

central arguments determining the speedy transformation.[50]

However, inspite of the accelerated cooperativization drive, the agricultural situation did not improve in 1956-57. The Party had no answer to the problem of the disincentive effects of cooperativization. Wherever collectives were resorted to the scale of operation was greater in comparison with that of elementary cooperatives; but in the absence of mechanization the economy of scale was negligible.[51] Some gains were made in labour mobilization which was reflected in the leap in water conservation work in 1956 and 1957, but this factor alone could not change the overall situation. To make matters worse bad weather conditions attended the first year of cooperativization and rural and urban shortages further strained the supply situation.[52]

The urgency with which the problem of a stagnant agriculture had to be tackled was further highlighted when peasant unrest about rural living conditions was dramatically revealed during the "Hundred Flowers" movement of 1957. The high rate of savings and investment institutionalized through cooperativization had kept the peasantry's

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50. Kenneth R. Walker, "Organization of Agricultural Production", in Alexander Eckstein, Walter Galenson, Ta-Chung Liu (eds.), Economic Trends in Communist China (Chicago: Aldine, 1968), p. 401.

51. See Chao, n.5, p. 48.

52. Gargi Dutt, Rural Communes of China: Organizational Problems (Bombay: Asia Publishing House, 1967), p.6.

standard of living extremely low in comparison with urban workers. More and more peasants wanted to migrate to the cities. This was clearly undesirable from the Party's point of view as it would aggravate urban unemployment. Indeed, under the hsia fang programme it wanted to reverse this trend. The slogan "workers eat more, work less" was an indicator of the failure of the CCP's "worker-peasant alliance" policy.[53]

Inspite of this serious situation, the Twelve Year Programme of Agricultural Development proposed no change in the investment priorities of the regime.[54] Thus, while the leadership had become increasingly aware of the vital role of agriculture in the first five years of planning, they were still not prepared to accept the slow overall rate of growth engendered by a more balanced policy of investment.

However, some remedial steps were taken in the autumn of 1956 and early 1957 to deal with the problems of the collectives. Firstly, agricultural planning and management

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53. See Roderick MacFarquhar (ed.), The Hundred Flowers (London: Atlantic Books, 1960), pp. 231-241.

54. This programme had been drafted under Mao's personal supervision in January 1956, and was finally adopted by a Joint Session of the Standing Committee of the National People's Political Consultative Conference and the National People's Congress on 22 October 1957. Text in Bowie and Fairbank, n.4, pp. 119-126.

were decentralized and there was to be genuine consultation between the farms and various levels of government concerning targets. Secondly, collectives and production brigades were to become smaller and were to be given wide powers over day-to-day organization. Thirdly, the advice of old experienced peasants was to be heeded when plans were drawn up. Fourthly, more material incentives were to be provided and the private plots, subsidiary occupations and open markets for certain commodities were to be encouraged.[55]

All these reforms seem to have been genuinely implemented, but the result was a drastic decline of central control over agricultural planning in 1957 and the expansion of the private agricultural economy at the expense of the collective economy.[56] Neglect of collective land, absenteeism from collective work, use of pig manure to fertilize private plots rather than collective fields, a preference for 'profit' rather than more production by transferring land to economic crop production, use of animals for transport of private produce at the expense of the transport and other needs of the collective, the spread of a black market in grain reflecting the increase in personal income in the countryside, the low level of

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55. Walker, n. 50, pp. 434-440.

56. Ibid., p. 439. Also see Kenneth R.Walker, Planning in Chinese Agriculture : Socialization and the Private Sector, 1956-1962 (Chicago: Aldine, 1965).

investment in collective agriculture during 1957 - all these were direct consequences of the new policies.[57]

The regime's problems were thus aggravated by the liberal measures adopted in 1956. The Government now had to curb the "spontaneous tendency towards the development of capitalism" in the countryside without however resorting to the excesses of 1956. In its new directives[58] the Government reaffirmed the importance of small collectives (a kind of one-village one-collective formula), a decentralised management, preservation of a private sector, a lenient attitude toward the upper peasant, and the need for stability of organisation. At the same time, however, the Government also launched "socialist education" and rectification campaigns in order to reassert the control it had lost during the "Hundred Flowers" movement. These campaigns were to combat "capitalism", expose "rightists" and "capitalists", and curb private agricultural activity within acceptable limits.

Walker has succinctly summed up the contradictory tasks of the rural cadres:

> .... government control was to be reimposed but decentralized management maintained; a private sector was to be maintained but restricted; capitalists and rightists were to be exposed but the interests of the upper peasant classes closely guarded . (59)

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57. Ibid.

58. Ibid.

59. Ibid., p. 440.

The dominant theme of rural meetings was the call by the cadres to revive productive activity and raise production targets in 1958. As in 1956, setting of high targets became an index of political reliability. Party propaganda emphasised the importance of attitude in raising production rather than rational planning. Cadres were given wide powers to ensure that high targets were set and every available resource was used to fulfil them. The new strategy as it evolved during 1957-58 was to mobilize under-employed labour on a massive scale in a campaign to build water-conservancy works, and also to put it to use to expand small-scale industry rapidly.[60]

Within a few weeks targets were raised to astronomical heights with most collectives "planning" to raise production by 70 to 100 percent. The labour force was expanded with the induction of women, and all peasants worked longer hours than before. In the increasingly radicalized atmosphere, private economic activity was severely curtailed. Private plots, family graves and shrines, trees, and even dwelling houses were confiscated to expand and reorganize the available land. Pig-rearing was taking over by the collective and many collectives organized communal canteens

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60. The programme of rapidly expanding small-scale industry was launched in 1957 as a part of the policy of decentralization. See Audrey Donnithorne, "Background to the People's Communes: Changes in China's Economic Organization in 1958", Pacific Affairs, vol. XXXII, no. 4 (December 1959), pp. 339-353.

in the fields in order to save time and thereby increase labour productivity. This radical swing to the left in farm policy and the unprecedented scale on which under-employed rural labour was mobilized in late 1957 and early 1958 led directly to the GLF and to formation of the Rural People's Communes.

D. The Great Leap Forward and the People's Communes

It is not necessary for us here to analyse in detail the various factors - political, ideological and economic - which led to the adoption of the policy of the "Three Banners" in the spring of 1958. I shall very briefly sketch the main features of this policy and then examine the people's communes in their pristine stage before mistakes in implementation and the total shelving of planning led to the economic crisis of 1960-61 and forced the CCP to "readjust" its programme and change the organization of the people's communes. The second chapter will deal with the retreat from the policies of the GLF, and in particular the more ambitious features of the communes, in a more comprehensive manner.

Undoubtedly, the GLF with its goal of catching up with Britain within fifteen years and achieving full-fledged communism in three to four years, was the CCP's ideological challenge to its Soviet counterpart. But more significant

is the fact that it was a great and final effort to solve all of China's economic problems with one blow by methods which were uniquely Chinese. The Chinese people were told that if they worked hard for three years prosperity would be guaranteed for the present and all future generations. A kind of utopian zeal possessed the Party leadership and it was convinced that the new policies were correct and infallible and would produce "greater, faster, better and more economical results".[61]

The core of the GLF policies was the "walking on two legs" strategy, i.e., to initiate the simultaneous development of industry and agriculture through the use of both modern and traditional methods of production. The Party had decided against a sudden and large infusion of capital into the agricultural sector and chosen instead a policy of increasing the input of labour on the basis of existing technology. The primacy of organization as a developmental policy was not to be given up; rather the basic unit of collective rural organization was to be enlarged in size and functions in order to facilitate the mobilization of labour.

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61. See Liu Shao-ch'i, "The Present Situation, the Party's General Line for Socialist Construction and Its Future Tasks" (May 5 1958), in Bowie and Fairbank, n.4, pp. 417-438.

Thus there was to be no change in investment policy. Heavy industry would continue to receive investment priority. But agriculture was to be organized in such a way that it would no longer compete for resources with the 'key' capital goods industries. Agriculture was to use all available human and other local resources in the countryside as a substitute for state-provided capital and thus grow independently of industry. The leadership was convinced that by diversifying the rural economy, investing labour on a massive scale in labour-intensive projects, mobilizing local financial resources and using non-material incentives instead of material ones and thereby limiting consumption, tremendous increases in farm production could be achieved. These increases would then be converted into industrial investment. Rural labour was to be complemented by surplus urban manpower and used at the local level for three purposes: (1) to work on labour-intensive projects such as irrigation, flood control, and land reclamation schemes; (2) to raise yields in agriculture through close planting more careful weeding etc.; and (3) to develop and expand small-scale industry rapidly.[62]

The role given to local small-scale industry is important as it would become the axis of Mao's economic theories. Local industry was to complement heavy industry

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62. Alexander Eckstein, Communist China's Economic Growth and Trade : Implications for U.S. Policy (New York: Mc Graw Hill Book Co., 1966), p. 32.

and manufacture only those goods which required a modest capital outlay and labour and raw materials which were locally available.[63] Thus two distinct sectors were to be simultaneously developed; a modern large-scale, capital-intensive sector and a more or less traditional small-scale labour-intensive sector.[64] Small-scale industry was to be expanded in branches such as iron and steel, machine shops, fertilizer production, power generation and the more traditional textile and food processing industries. The centralized large-scale industry could thus concentrate on armaments, mining and the production of sophisticated machine tools.

Further, the growth of the two sectors would be based largely on their own output and investment. The modern industry sector's final product was to be channeled into either new plant construction or exports. The returns from the exports would then be used to finance imports of the investment goods it may need. Small-scale industries, as mentioned earlier, would be developed by using simple, locally manufactured equipment, local labour and local raw materials. Their output would then be used to satisfy

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63. See Carl Riskin, "Small Industry and the Chinese Model of Development", The China Quarterly, no. 46 (April-June 1971), pp. 245-273.

64. Eckstein, n. 62, p. 32

rural demands for manufactured consumer goods, tools, agricultural machinery and other requisities of farm production. Eckstein has summarized this dual policy as follows:

> The rural sector would thus be pushed into involuntary and partial autarchy - partial in the sense that it would not import from the modern sector but would be expected to provide a large, unrequired export surplus to it. The transfer would take place through agricultural taxation and/or through compulsory sales of farm products at below-market prices. In other words, the rural sector would need to save enough of its current income to finance its own development and also to contribute to the growth of the modern sector. Carried to its ultimate conclusion, this strategy would have entailed a conversion of the modern sector into "input-input" economy and would have left only the rural sector performing the function of an "input-output" system. (65)

The Chinese planners realised that the success of their strategy depended on (a) whether they could evolve the institutional means whereby the maximum mobilization of labour could become a permanent feature of rural organization, and (b) whether rural consumption could be so controlled that the gains in increased production were not wiped out. The solution they finally proposed to these two problems was; firstly, to create the large people's communes by amalgamating agricultural collectives which were too small and too numerous to effectively administer and control the vast mass-labour projects; and secondly,

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65. Ibid., p. 33.

to stress non-material incentives so that peasants do not ask for an increase in their real income.

But these solutions were not devised overnight; they developed slowly from various measures taken in the preceding two years. Thus the decentralization of economic authority actually preceded the GLF and the creation of the communes.[66] Greater freedom in decision-making at the local level was an essential pre-requisite of the new strategy. For instance, the small-scale industrial units would be unable to function if they were subject to the centralized economic authorities for every decision. Similarly in agricultural planning, instead of the state planning authorities in a locality drawing up a complete agricultural production plan according to which agriculture was to develop, local units had to be given more autonomy than earlier. This took the form of a transition from a production plan to a "farm produce collection and purchase plan".[67] Similar delegation of power had occurred in the spheres of trade and commerce. Simultaneously, as we have seen earlier, the labour-intensive campaigns and the programme to expand local industries had been launched which added to the responsibilities of local cadres and other local authorities. Thus it became increasingly obvious that

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66. See Donnithorne, n. 60.

67. Ibid., p. 341.

the administrative framework of the collectives was too small to enable it to discharge all these functions. Franz Schurmann has cited examples of APC's amalgamating to form larger units by April 1958; i.e., five months before the official decision to create the rural people's communes.[68] In short, the policies of decentralization of economic authority, mass mobilization of labour, and the intense fervour of the GLF snowballed into the movement to establish the people's communes.

While there was considerable variety in the internal structure of the more than 24,000 communes, their general organizational policy was uniform throughout the country. Thus we can construct a 'model' commune to which all communes were expected to approximate in organization and functions.

In size, the commune was to be a larger unit than the previous cooperative -usually the size of a hsiang and consisting of about 4000 - 5000 households.[69] This large size (in acreage and membership) would permit it to carry out production and construction of a comprehensive nature and on a large scale. Thus, they can "not only carry out an all-round management of agriculture, forestry, animal husbandry, side-occupation and fishery, but merge industry (the worker),

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68. Schurmann, n.1, p. 473.

69. Dutt, n. 52, p. 34.

agriculture (the peasant), exchange (the trader), culture and education (the student), and military affairs (the militia man) into one".[70] Further, "Being big, they can do many things hitherto impossible to the agricultural producers' cooperative such as building medium-sized water conservancy works, setting up factories and mines requiring complicated technique, carrying out big projects of road and housing construction, establishing secondary schools and schools of higher learning etc.".[71]

Thus the large size of the commune was to be in keeping with its multi-purpose nature, and would enable it to have the human and capital resources required for discharging its various functions. As the "Tentative Regulations (Draft) of the Weihsing (Sputnik) People's Commune" (Aug. 7 1958)[72] put it, the task of the people's commune "is to manage all industrial and agricultural production trade, cultural and educational work and political affairs within its own sphere".[73]

As to their internal structure a "three-level system of organization" was common to most communes. Each commune

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70. "Hold High the Red Flag of People's Communes and March on", People's Daily editorial, September 3 1958. Text in Bowie and Fairbank, n.4, pp. 460-463.

71. Ibid., p. 460.

72. Text in Bowie and Fairbank, n.4, pp. 464-470.

73. Ibid., p. 464.

was divided into production brigades and production teams. The former was usually the same as the erstwhile collective or natural village. This was further divided into production teams which were intra-village work units entrusted with their own tasks. To simplify administration the commune and hsiang authorities were merged. Thus the hsiang people's congress was converted into the commune people's congress and the hisang people's council into the commune management committee. Similarly the head of the hsiang people's council became the director of the commune and the hsiang party committee became the party committee of the commune. Under the commune management committee were set up departments or committees of agriculture, water-conservancy, forestry, animal husbandry, industry, communication, finance, commerce, culture and education, militia and defence, and planning and scientific research. Party members by and large, dominated each of these departments. Indeed, due to the shortage of cadres to man the different organizations separately, the members of commune institutions and the Party committees were usually the same.[74]

As we have seen, the communes were to perform several other tasks besides management of the normal agricultural operations. They were asked to establish industries and promote education and technical skills among the peasantry. Thus, crude blast furnaces to manufacture steel were set up

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74. Dutt, n. 52, p. 36.

everywhere along with agricultural tool factories, mills and "universities", etc. In agriculture all land and other farm resources such as animals and tools now came to be owned by the commune and private plots were abolished. Vast powers were concentrated at the commune level and the brigades and teams had no powers to take local decisions even within the framework of the overall production plans formulated by the commune. Nor did they have the authority to make plans regarding the use of manpower at the local level. To promote collective living and release women from household work, community dining halls were put up in the fields. Nurseries and creches were created to look after children.

The basis is distribution was to be part-wage and part free-supply. In general, "wages of members will be fixed by the masses through discussion, taking into account the intensity and complexity of the work, physical conditions, technique and attitude towards work".[75] Besides free supply of grain (primarily through the community mess hall) many communes even provided such essentials as clothing, housing, education, medical care, etc.[76] Thus the GLF was an attempt to do away with <u>personal</u> material incentives and replace them with <u>collective</u> material incentives and a high proportion of non-material incentives.

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75. "Tentative Regulations .....", n.4, p. 467.

76. Dutt, n.52, p. 42.

Had the Chinese Communists succeeded in achieving their 'big leap' and nurturing the "sprouts of communism" in the people's communes, China would indeed have been on the verge of transition to full-fledged communism. But in reality, as the leadership was soon to realize, these bold experiments which so drastically changed work organization and incentives of the entire Chinese population had led the country to the verge of an economic diaster. In the next chapter we will see what problems arose and how in trying to solve them the CCP had to give up the utopian concept of the commune outlined above.

Chapter II

AFTER THE GREAT LEAP : THE PERIOD OF 'READJUSTMENT'

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In the fervour of the GLF period a drastic reorganization of Chinese rural society took place in a haphazard and adventurous manner. The spirit of 'daring' and creative improvization asked of local cadres in the style of the CCP's civil war experience[1] led to the elimination of variours features of rural organization and planning mechanisms which existed prior to 1958. The untested replacement, viz., the gigantic multi-purpose rural people's communes with a strong egalitarian bias, resulted in organizational chaos and an all-round depression in production. This was evident to the Party leadership within weeks of the Peitaho resolution of August 29 which created the communes. When the Sixth Plenum of the Central Committee met at Wuhan in December it was decided to introduce a touch of moderation into the commune movement and halt the drift toward full communism. In the extensive tours and on-the-spot checks undertaken by them in the last four months of 1958, the Party leaders became aware that they had 'leaped' without looking and that local cadres had carried their directives to extremes which were unacceptable to the peasantry and utterly devoid of economic rationality.

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1. The similarity between the concepts of the guerrilla leader and the rural party cadre in the GLF is frequently discussed in Franz Schurmann, Ideology and Organization in Communist China (Berkely, Los Angeles, London: University of California Press, 1970).
See also Alexander Eckstein, Communist China's Economic Growth and Foreign Trade: Implications for US Policy (New York: McGraw Hill Book Co., 1966), p. 37.

In the first section of this chapter, I shall discuss the effects of the GLF and the early months of the commune movement on (1) allocation of labour and other resources in the countryside and agricultural production, (2) peasant incentives with special reference to the private plot and rural markets, and (3) organizational problems of the communes. In the second section, I shall trace the three-year long process of the consolidation of the people's communes, the measures adopted to reorganize them in a more realistic way, and the party debate which accompanied this process. Finally, the third section of the chapter will deal with the 'agriculture first' strategy which emerged from this debate.

A. The Effects of the Great Leap Forward

(1) Labour and resource allocation and agricultural production.

The essence of the GLF strategy, as we have seen, was to mobilize all available manpower in the countryside and utilize it for constructing massive water conservation and irrigation projects, for raising yields in agriculture by increasing labour inputs through labour-intensive methods such as close-planting, and for expanding the small industry sector. The rural people's commune was the institutional structure by which this was to be made a permanent

feature of Chinese rural society and organization for production. But the rash and hasty manner in which the communes were created made it impossible for any of these aims to be realized. Improvization by local cadres on the basis of broad central directives was suitable for conducting a guerrilla war. But in the sphere of economic development such methods led to structural bottlenecks and wastage of human energy and resources. The virtual suspension of planning caused by the decentralization of decision-making powers and economic management to the commune level snapped the links between the center and the localities and made inter-sectoral balance impossible.

Vast powers were given to commune level cadres to allocate labour and other resources for any purpose within the broad central directives.[2] The production brigades and teams had virtually no say in this matter. Thus, since the mass construction projects required very large and mobile 'squads' of workers, the needs of field work were often neglected. Furthermore, these massive construction projects were undertaken without adequate scientific design and surveying. In 1958, more than one hundred million people were mobilized to construct dams, reservoirs and other irrigation projects. During this period, even for large-scale, well planned projects, normal construction procedures were altered under the pressure of speeding up the

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2. See Gargi Dutt, Rural Communes of China: Organizational Problems (Bombay: Asia Publishing House, 1967), pp. 56-57.

work.[3] Kang Chao points out that "unsatisfactorily designed and poorly constructed flood-control projects may make the control of floods more difficult and the results of floods more disastrous. Improperly built water-reservoirs may raise the underground water level in the neighbouring area above its critical point resulting in the land becoming too alkaline. Similarly, irrigation systems with inadequate drainage may also cause alkalization or salinization".[4] All this did in fact happen, and after 1959, articles appeared in leading Chinese journals and newspapers condemning the heavy damage in agricultural production caused by realkalization and other man-made disasters. There is no doubt that the natural disasters of 1959-1961 would have been less disasterous if so many indegenous and water conservation projects had not been built during the Great Leap period.

The major small industry promoted under the "walking on two legs" policy was the manufacture of steel in backyard steel furnaces. These also proved a waste of labour and resources as the quality of output was poor and no systematic attempt had been made to relate supply to potential demand in either type or quality.[5] A large number of these backyard

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3. Kang Chao, "Economic Aftermath of the Great Leap in Communist China", Asian Survey, vol. IV, no.5, p. 854.

4. Ibid.

5. Audrey Donnithorne, China's Economic System (London: George Allen and Unwin Ltd., 1967), p. 224.

furnaces were hastily built in 1958 and could not withstand even normal rainfall. Others had to be given up by the local authorities following the reappraisal of 1959 because of prohibitively high operation costs. Only a small portion of the indigenous blast furnaces survived and then only after some renovation.[6]

Furthermore, considering rural industry in this period as a whole, while its avowed purpose was to "serve agriculture", in fact many communes chose to develop more profitable producer good industries.[7] This was because the general policy statements added to the task of serving agriculture, the tasks of "meet(ing) the demands of commune members for staple consumer goods, and to serve big industries and the socialist market".[8] The result of this was that commune industries did not concentrate on specialized production for agriculture, but produced and processed all kinds of goods meant for all sectors of the economy. Moreover, in 1959, it was estimated that seventy percent of the income from commune level enterprises came from commune industries,[9] thus adding considerably to the distributable

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6. Chao, n.3, p. 851.

7. Carl Riskin, "Small Industry and the Chinese Model of Development", The China Quarterly, no.46 (April-June, 1971), p. 261.

8. "Resolution on Some Questions Concerning the People's Communes" (Wuhan Resolution) adopted by the Eighth Central Committee of the CCP at its Sixth Plenary Session on December 10 1958 and issued December 17. Text in Robert R. Bowie and John K. Fairbank, Communist China, 1955-1959: Policy Documents with Analysis (Cambridge, Massachusetts: Harvard University Press, 1962). See p. 496.

9. Cited by Riskin, n. 7, p. 260.

income of the communes. Hence, "joining general prescription in influencing the choice of product mix on the part of commune industry was the more immediate desire of commune members to increase income and therefore the profits of their collective enterprises".[10]

Thus, with the help of the considerable financial autonomy vested in them, the commune authorities concentrated their efforts in operating a few industries that were highly profitable, while the manufacture of tools and fertilizers needed for agricultural production was neglected.[11] For the same reason consumer goods were neglected in favour of producer goods,[12] and cadres committed the deviation of "departmentalism" (i.e., the tendency to concentrate efforts only for the increase of production of one's own industry). This latter phenomenon was particularly damaging because as Kang Chao puts it, "The Great Leap movement was improvised rather than well-planned in terms of inter-industry co-ordination".[13] In both rural and urban sectors, stocks piled up in industries which had overproduced while

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10. Ibid. Riskin adds that "Such a choice would not have contradicted the policy of serving agriculture had the structure of relative prices created profitable opportunities to do so. In fact, however, the official terms of trade between agriculture and industry tended to favour the latter, so that farmers could not compete with urban industries for the services and products of their own commune enterprises".

11. Ibid., p. 261.

12. Donnithorne, n.5, p. 224.

13. Chao, n.3, p. 852.

production capacities could not be fully utilized in other fields due to material shortages.[14]

Besides these distortions, the transfer of labour from the handicrafts industry and agriculture to the rural industries led to the failure to gather a part of the record harvest of 1958, and to shortages in products which were traditionally provided by the handicraftsmen.[15] Thus, the unsystematic manner in which resources were allocated to the commune industries resulted in a great amount of waste, and in March 1959, Vice-Premier Ch'en Yun had to emphasize the need for developing industries discriminatingly, i.e., they should be developed only near the areas of raw material supplies and should be well linked with their markets.[16] Transportation bottlenecks also developed with the prodigious and unplanned increase in output during 1958 and early 1959. However, this was partially overcome by utilizing existing facilities and equipment still more intensively.[17]

The drastic decline of the quality of commodities in this period is another instance of the ill-effects of faulty

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14. Ibid.

15. Donnithorne, n.5, p. 224.

16. Ch'en Yun, "Some Immediate Problems Concerning Capital Construction Operations", Hung Chi, no.5 (March 1 1959), in Extracts From China Mainland Magazines, no. 166.

17. Victor D. Lippitt, "Development of Transportation in Communist China", The China Quarterly, no. 27 (July-September 1966), p. 110.

implementation of the GLF policies.[18] Due to shortages of raw materials, producers had to use inferior materials, poor substitutes and even scrap materials.[19] The rural industries also recruited workers who lacked sufficient training in production techniques.[20] Finally, both urban and rural producers had to deliberately lower quality so as to fulfil unreasonably high output quotas.[21]

As to actual agricultural production, for a year (1958) yields did rise, but the increases could not be maintained. Without new energy resources increased irrigation eventually resulted in water shortages and increased soil salinity. Thus when nature too took an unkind turn in 1959 agricultural production was totally disrupted. From the plateau of 205 million metric tons of harvested grain in 1958, grain production in 1959 fell to 170 million metric tons, and in 1960 it further plunged down to 150 million metric tons.[22]

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18. Chao, n.3, p. 853.

19. This, however, was not always harmful at least in the case of rural industries. Wheelwright and McFarlane have cited instances where rural industries found good substitutes and put scap materials to good use. See E.L.Wheelwright and Bruce McFarlane, The Chinese Road to Socialism: Economics of the Cultural Revolution (Monthly Review Press: 1970), pp.45-46.

20. Chao, n.3, p. 853.

21. Ibid., p.854. Chao has also pointed out how such unrealistic targets resulted in all industrial enterprises abusing their machinery and equipment and how maintenance and normal check-ups were waived to ensure continuous production. See p.855.

22. Benedict Stavis, Making Green Revolution: The Politics of Agricultural Development in China (Ithaca: Cornell University, 1974), p. 12.

Widespread shortages and even famine conditions resulted, and in 1960 Communist China had to import grain for the first time in its history. A similar decline in yields of cotton and other economic crops created shortages of raw materials for industry and exports. Paradoxically, many areas reported shortages of labour in 1959 to harvest crops. Squads of peasants who should have been in the fields were busy making steel in their backyards or constructing irrigation projects far from their village fields. Thus lack of planning in allocation of labour reduced to a hollow abstraction one of the useful features of the commune, viz., rational division of labour on a large scale.

Another factor leading to the decline in agricultural production was the reduction of acreage under cultivation. This was done in the belief that it was much more economical to cultivate a smaller area of "high-yielding land" than big areas of low-yield land.[23] Several provinces had even planned to divide all their available land into three equal portions: one portion was to remain fallow, another was to be used for grain cultivation and a third portion for horticulture.[24] This was to be the concrete expression of the erroneous belief in the possibility of "raising the per hectare yield without limit". Fortunately it was not implemented.

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23. Dutt, n.2, pp. 48-49.

24. Ibid.

Unscientific application of basically sound techniques popularized by the Eight-Point Charter (which was formulated in 1958) is another example of how Great Leap methods proved detrimental to agricultural production. This charter called for deep ploughing, close planting, liberal fertilizing, irrigation, use of quality seed, and tool reforms. Many of these measures were resorted to indiscriminately without regard to local conditions. For instance, the planting was too close at places and the crop was damaged.[25] Finally, the stress on self-sufficient communes, regardless of resources and capacities, also led to wastage of energy and resources. For instance, areas which had never produced cotton took to cotton-growing and rice crops were planted in unsuitable conditions.[26]

Citing any more such instances would be superfluous. The lack of careful organization and the obsession with immediate results wrought havoc in agricultural production in 1959-1960. As we shall see later, many elements of the Great Leap were sensible and did work when combined with suitable modern inputs and careful organization after the Cultural Revolution.

A word here about the effects of all this on the labour morale of the rural population. The stupendous amount of manual labour put in by the peasants exhausted them physically.

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25. Ibid., p. 77.

26. Ibid., pp. 78-79.

One can only conjecture about the psychological shock caused by the total disruption of their family and village life. The continuous fall in production after 1958 and the failure of their efforts to produce the promised spectacular results must have been an even more agonising experience. The secret military papers which came into the hands of the Americans in the early-60's show how deep peasant discontent was and how seriously this even affected army morale.[27] Peasant non-cooperation after the initial euphoria of 1958 was a vital factor in compelling the Party to abandon its radical course.[28]

(2) Incentives and peasant income

Equalitarianism in income distribution was a basic element of the commune movement in its early stages. Many communes provided for 70 percent supply and 30 percent wages.[29] Free supply thus constituted the minimum income for all families and material incentive, accordingly, was

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27. See J. Chester Cheng (ed.), The Politics of the Chinese Red Army : A Translation of the Bulletin of Activities of the People's Liberation Army (Stanford: Hoover Institution Publications, 1966).

28. A similar situation undoubtedly existed in the cities. Also the demoralization of the skilled personnel as a consequence of the Great Leap's populist and anti-bureaucratic character must have been great. Under the slogans "politics takes command" and "reliance on the mass-line", the administrative system in all enterprises underwent considerable disruption. Experts had to 'learn' from non-experts and scientific procedures were replaced by political demands. See Chao, n.3, pp. 857-858.

29. Charles Hoffmann, "Work Incentives in Chinese Industry and Agriculture", An Economic Profile of Mainland China, Joint Economic Committee of the U.S. Congress (New York, Washington, London: Frederick A. Praegher, 1968), p. 483.

very low. Since the distributable income of each commune was determined only after (i) deductions for tax and compulsory grain deliveries to the state, and (ii) cost deductions such as cost of production and management, seed reserves, investment in equipment, etc., and subscriptions to the accumulation and welfare funds, the distributed amount must have been so low as to probably make wage differentials calculated on the basis of criteria like quality and quantity of work negligible.[30]

Direct taxes imposed by the government on the communes were not very high being about 10 percent.[31] But if we add to this direct tax the taxes on commodities sold in the rural market, the compulsory deliveries at Government-fixed prices, and the high rate of savings enforced by requiring large sums to be put into accumulation funds,[32] the efficacy of wage techniques to provide a strong material impetus is further reduced. This is because, "unless the units of reward are substantial, the differential impact on efficient workers will be slight and the price of leisure or less intense labour input will be low".[33] Also, as the wages were

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30. Ibid., p. 484.

31. Ibid., p. 487.

32. For instance, in Hupeh province, it was recommended that accumulation should account for between 40-70 percent of total income. See Donnithorne, n.5, p. 74.

33. Hoffmann, n.29, p. 484.

calculated on the basis of the income of the whole commune rather than that of the production brigade (the erstwhile cooperative), this removed the reward given to the individual peasant one step further from direct connection with the amount of work he performed.[34] Inevitably, this further added to the disincentive effects of low wages.

Now, since the value of each work unit was low, the side-line activity was naturally more attractive to the peasants. But private plots and private income-earning activities had been almost completely eliminated by the all-out labour and resource mobilization policy of the GLF. Private agricultural activity was systematically dismantled as it was considered to have grown to a level where it constituted a threat to collective agriculture.[35] Upto the creation of the rural communes a private sector existed in the couhtryside which yielded fairly substantial incomes to some individuals. Kenneth Walker's study of income from this sector is revealing: he estimates that the peasantry's income from this source ranged from 9 percent of their total income in 1956 when the collectivization drive was at its height to 60 percent in 1957 when measures were taken to increase this income.[36] Comparing these figures with the

34. See Dwight H. Perkins, "Centralization and Decentralization in Mainland China's Agriculture, 1949-1962", The Quarterly Journal of Economics, vol.LXXVIII, no.2 (May 1964), p. 231.

35. See Kenneth R.Walker, Planning in Chinese Agriculture: Socialization and the Private Sector (Chicago: Aldine, 1965), p. 73.

36. Ibid., p. 33. In the peasant's income from the private sector, Walker includes income from private plot, horticulture and private livestock. He does not include the private income from household handicrafts.

needs of the peasantry, "it appears that the income from the private sector could very easily be the decisive factor in the standard of living"[37], i.e., it made for the difference between the well-to-do peasant and the poor peasant.

This was the class polarization Mao had spoken of in 1955 and the collectivization movement since then had tried to curb. Basing himself on a study of Fukien province, Walker further reports that the poor peasants were heavily dependent on the collective for income, but "the higher peasant classes in Fukien, by owning most of those income earning assets still allowed to be privately owned, were so independent of the collective that the collective economy's existence was threatened by their non-cooperation"[38]. One of the objectives of the communes was to eliminate this threat and mobilize the surplus in the hands of the rich and middle peasants to finance industrial development.

The Peitaho resolution authorized the merger of private plots with the collective lands and expected that trees and savings would also be eventually collectivized.[39] But the overzealous local cadres went the full way immediately and attempted to communize all the livestock and personal belongings of peasants including clothes, quilts, household utensils and savings. This ban on all subsidiary activities

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37. Ibid., p. 36.

38. Ibid., p. 38.

39. Peitaho Resolution, n.8, p. 456.

and the denial of the right to earn an income from them and own private property caused considerable economic dislocation. No alternative arrangement had been made for the pursuit of these activities which were not only a source of additional income but also provided several items of everyday consumption. The shortages which developed of pigs, poultry, vegetables, straw sandals, coir brooms, baskets, utensils, etc., resulted in widespread dissatisfaction among the peasantry.[40]

To check these developments, the Wuhan resolution (December 1958) forbade the wholesale confiscation of personal property. It laid down that "the means of livelihood owned by members (including houses, clothing, bedding and furniture) and their deposits in banks and cooperatives will remain their own property after they join the commune and will always belong to them".[41] The peasants were allowed to continue owning trees around their houses, tools and small farm implements, and small domestic livestock and poultry. So long as it did not interfere with collective work, they were also permitted to continue their small-scale, domestic side-line occupation.[42]

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40. Donnithorne, n.5, p. 84.

41. Wuhan Resolution, n.8, p. 498.

42. Ibid.

But these concessions seem to have only whetted the peasant's appetite for more, and there were reports of cadres weakening and in some cases handing over as much as a fourth of the cultivated land back to individuals.[43] Perhaps it was the fear of such a relaxation leading to the neglect of collective production that inspired the moment in 1960 to take away private plots once more from the peasants and hand them over to public mess-halls to use them for growing vegetables and other auxiliary foodstuffs for their own use.[44] But this was shortlived; in the continuing economic crisis the mess-halls were finally wound up in 1961. In accordance with secret Central Committee directives, private plots - usually 5 percent of total cultivated land - were allowed, rural markets were reppened, and flexible regulations regarding collective work attendance introduced. Thus the potency of material incentives was reasserted and after 1961 private plots and side-line activities once again became an important source of supplementary income for the peasantry, and in fact, contributed to the recovery of Chinese agriculture.[45]

The attempt of the leadership to replace material incentives with non-material ones and divide the fruits of each individual farmer's labour among thousands of commune

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43. Donnithorne, n.5, p. 85.

44. Ibid.

45. Walker, n.35, p. 80.

members was a principal factor in the decline of productivity in agriculture. In the next section, I shall discuss the concessions the Party had to make with respect to this. In conclusion here, we can say that the CCP was thwarted by objective economic laws and human nature. Mao and the CCP were convinced that they had discovered a new economic strategy which was applicable to Chinese conditions, and that they had sufficiently remoulded the Chinese masses. Nothing could have been farther from the truth. While the GLF strategy was more suitable to Chinese conditions, Mao and the CCP had still to learn how to execute this strategy in a rational way and find the appropriate level of collective organization required to maintain incentives.

The war declared against the forces of inanimate nature and human nature in the GLF led to chaos and setbacks. But there were also some important gains. The experience of the GLF became the basis for the further development of a growth strategy tailored to China's needs and in harmony with the revolutionary principles of the CCP. It taught the Party certain lessons which it would not ignore again - the importance of consultation with the peasantry, the need for inter-sectoral balance, and the value of experimentation before wide-scale implementation of radical innovations. Finally, in the debates which accompanied the measures which were taken to effect an economic recovery Mao saw that inspite of his self-criticism and the numerous concessions

being made, a substantial number of his most important colleagues (whom we need not identify at this stage) were unwilling to retain even the essence of his ideas on the simultaneous development of production and revolution and were veering more and more towards the Soviet model which only stressed greater production and accumulation and ignored their political and social implications.

For Mao, the economic strategy most suited to a densely populated agrarian country like China was to emphasize the economic improvement of local communities which would feed back into modern industry.[46] Thus, the level of consumption would be greater in the whole country, distribution more equitable, and accumulation and ivestment too would be high. In contrast, other leaders considered the Maoist strategy a failure and were more in favour of emphasizing greater investment in modern industry, running all enterprises on the basis of profitability and utilizing the gains of these policies for further investment.

Therefore, Mao and these other leaders drew different conclusions from the experience of the GLF, and in the difficult years between 1960-65 a compromise between these two strategies prevailed. But, as we shall see in the

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46. See Jack Gray, "The Two Roads : Alternative Strategies of Social Change and Economic Growth in China", in Stuart R. Schram (ed.), Authority, Participation and Cultural Change in China (Cambridge: Cambridge University Press, 1973), p. 114.

subsequent chapters, after 1965 a confrontation became inevitable due to the different ingredients and values required by these two strategies. The aftermath of the GLF, therefore, brought to maturation all the differences that had always existed between Mao and some other leaders of the CCP. I would submit that the experience of the GLF clarified the issues involved in socialist economic development in China, and drew the lines between those who were for a simultaneous development of production and revolution (i.e., greater equality and mass participation) and those who were primarily for greater production and indifferent to revolution.

(3) Organizational problems

Numerous instances of problems caused by the adoption of faulty organization (and methods) have already been cited. Here I will only focus on the problems created by the large size of the communes and the excessive centralization of management within it.

The original Central Committee resolution of August 1958 on the formation of the communes proposed that each commune should have about 2,000 households and that usually one hsiang and one commune should be equated.[47] Since there were approximately 80,000 hsiang in China and the rural population comprised 120 million households in 1958, some

47. Peitaho Resolution, n.8, pp. 454-455.

80,000 communes averaging around 1,500 households each should have been formed.[48] Instead, by the end of September 1958, 26,400 communes had been created.[49] Thus on an average around 3 hsiang appear to have been incorporated into each commune. While the Peitaho resolution had granted the discretion to fix the size of the commune to the local authorities, there was, as G.W. Skinner has pointed out, considerable pressure on cadres "to make communes as large as prevailing conditions allowed".[50] This was intended to cut at the root of local particularisms and was expected to inculcate a higher consciousness among the peasantry and ensure greater economic advance. In fact, however, as Skinner has argued, "the many and grave difficulties encountered by the communes during 1958-61 stemmed in significant part, from the grotesquely large mold into which they had in most cases been forced, and in particular from the failure to align the new unit with the natural socio-economic systems shaped by rural trade".[51]

Therefore, one result of the large size of the commune was to completely paralyse the distribution of goods. The

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48. Donnithorne, n.5, p. 46.

49. Wuhan Resolution, no.8, p. 490.

50. G.W. Skinner, "Marketing and Social Structure in Rural China", Journal of Asian Studies, vol. XXIV, no.3 (May 1965), p. 391.

51. Ibid., p. 394.

new communal supply and marketing cooperatives were organizationally unprepared to supplement the traditional marketing system. Scores of examples of the ensuing chaos were mentioned in the Chinese press of the period. The following two instances have been cited by Skinner.[52] In Wu-lien hsien, Shantung, an industrial fibre produced by two communes was used as fuel and "such seasonal fruits as cherries and apricot were .... allowed to rot .... due to the delay in organizing marketing facilities".[53] Commercial departments in Hopei, vainly seeking economies of scale, "sent over forty cadremen to buy 10,500 piglets in Shantung and Hupeh ..... More than 60 percent of them died or were injured in transit due to the long distance, large numbers and poor handling".[54]

These examples reveal the sheer inadequacy in the facilities, resources, skills and experience of the new supply and marketing system. As in the case of many other features of the commune, the leadership soon had to revert to the pre-1958 scheme of things and base all changes on economic realities. Thus, in the reorganization of 1961-63, the size of the commune was reduced by a third to approximate to the standard marketing system.

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52. Ibid., p. 372.

53. SCMP, no. 2059, p. 10.

54. SCMP, no. 2134, p. 25.

Another consequence of creating large communes was that the authorities were cut off from local conditions. As all power was concentrated in the hands of commune level authorities, the 'mass-line' could not be put into practice. Decisions about allocation of manpower and material resources were made without taking into consideration the requirements of the smaller units and peasants were not consulted about the drastic changes that were being made. Also, the large size of the communes made the commune-level leaders "outsiders" and intensified inter-village rivalries.[55] John W. Lewis has described how CCP policies prior to 1958 had inadvertently strengthened village localism which had weakened before 1949 due to the misuse of collectively owned lands, the emergence of conflicting social values, and the divisive nature of class groupings within the villages.[56] But when the CCP "encouraged the pooling of land for use under the centralized management of the cooperative head, they inadvertently recreated the critical ingredient of lineage and village power, the collective land holdings".[57] In stressing collective values the Party had compelled the village to reestablish many defunct village activities and functions such as the village meeting and the collective control of family and village life.[58] Therefore, since there

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55. John Wilson Lewis, "The Leadership Doctrine of the Chinese Communist Party : The Lesson of the People's Commune" Asian Survey, vol. III, no.10 (October 1963), pp. 462-463.

56. Ibid., p. 463.

57. Ibid.

58. Ibid.

was a lack of trained basic-level cadres, the leadership which emerged in the cooperatives was able to rise by the manipulation of traditional ties. Thus, "resurgent village localism provided the uneasy foundation on which the party established communes in 1958".[59] With their new sense of identity and power, the villages inevitably formed divisive cliques and factions when brought together within the commune framework.[60]

Akin to the problem of excessively large communes was the problem of over-centralization of powers within the commune. If the former factor virtually broke down the links of planning between the central and local authorities and between the commune-level and the grassroots; the latter factor made coordination within the commune impossible.

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59. Ibid.

60. Skinner has admirably summed up the Party's dilemma in fixing the size of the commune. He says, "In this regard, of course, the Communist planners faced a dilemma whose twin horns had become only too familiar during the formation of collective farms. When units of collectivization are made to coincide with natural social systems, the organizational task is greatly simplified by the ease with which traditional bonds can be used to reinforcethe solidarity of the new unit, but at the same time that task is complicated by the inappropriateness of those bonds to the very nature and objectives of modern organization. On the other hand, when units of collectivization are made to crosscut or envelop natural systems, the advantage which accrues from escaping the constraints of traditional ties is necessarily coupled with serious disadvantages, in particular the need to build up organizational strength and to develop solidarity not simply de novo but in the face of mutually antagonistic loyalties to the component natural groups. There is some evidence that, having been nicked by the second horn, Communist cadremen in 1957 veered back toward the first, and that by the summer of 1958 they were finding it painfully sharp". See Skinner, n.50, pp. 384-385.

The commune was designed to increase the number of activities handled at the local level rather than centralizing control over already existing activities. In reality, however, once control over some of the activities was given over to the commune, other activities also gravitated to the commune authorities due to the difficulties of coordinating decisions at various levels within the commune.[61] The labour requirements of commune level projects, like the water conservation project, came into conflict with demands on that same labour from brigades and teams for use in farming. Since the commune leadership contained the more senior Party personnel their claim prevailed irrespective of the economic merits of the case.[62] The extreme pressure on commune leaders to produce spectacular results and the fact that all restraints on their exercise of initiative had been removed meant that even when regulations called for non-interference (as in the case of responsibility for planning the major crops) these regulations were disregarded.

Thus, there was no external means of guiding the commune leadership to make rational economic decisions. Reports of spectacular output figures was all that mattered. The decentralization down to the commune level of the State Statistical Bureau's power to collect production statistics resulted in falsification of all farm data. The central

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61. Perkins, n.34, p. 228.

62. Ibid.

authorities now had no way of knowing whether a particular measure was successful in terms of performance. In the competition to report high outputs the communes outdid each other in exaggerating their performance. The statistical confusion reached its climax in 1959 when the Central Committee openly admitted large errors in some of the 1958 figures, and consequently adjusted the planned targets for 1959.[63] But the statistical breakdown had long-term effects on planning even after rationality returned because the planners had been deprived of reliable current production data from which to work out future plans.[64]

B. The Consolidation of the People's Communes

The Peitaho resolution had unleashed a "wind of communism" by stating that communism was "no longer a thing of the distant future". Armed with vast powers and under heavy pressure to achieve results consistent with this prophesy, the commune level cadres resorted to egalitarianism and used every resource available to increase output irrespective of the imbalances this would create. We have discussed above the calamitious results of this. In this section, I shall examine the process of reorganization and consolidation of the communes this situation called for,

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63. "Communique of the Eighth Plenary Session of the Eighth Central Committee of the Chinese Communist Party", (August 26 1959), n. 8, p. 534.

64. Chao, n.3, p. 853.

and how this led to a split in the Party in 1959 which marked the beginning of Mao's isolation in the Party leadership. This aftermath of the first year of the Great Leap and the communes is the background to developments of the following decade.

The administrative problems which arose in the first weeks after the creation of the communes were discussed by the Party leadership in formal and informal consultations in October and November. These consultations finally resulted in the Wuhan communique and resolution. The "Resolution on Some Questions Concerning the People's Communes"[65] adopted by the Sixth Plenum of Central Committee on December 10. 1958 dealt with a number of problems which confronted the Party and was in nature of general guidance to the commune authorities. It gave reasons for not extending the commune system to the cities (which do not concern us here) and admitted that the rural people's communes "have not had time to consolidate their organizations, perfect their systems or systematically settle new questions concerning production, distribution, livelihood and welfare, management and administration".[66] However, the multi-purpose nature and the large size of the commune was considered correct, and its role in accomplishing the twin transitions from "collective ownership" to the "ownership of the whole people" and from

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65. Text reprinted in Bowie and Fairbank, n.8, pp. 490-503.

66. Ibid., 491.

socialist to communist society was reaffirmed. On the time required for these transitions, the Wuhan resolution in contrast to the Peitaho resolution which had said that these transitions were possible in 5-6 years, spoke of the process as lasting 15-20 more years. In other words, the Party had decided not to go too far in the direction of free-supply. This was because not only were there not enough goods (and in the case of the mess-halls, free supply had led to over-consumption), but also because the decline in the money wage was proving to be a serious disincentive. It was accepted that any negation of the principle "to each according to his work" at this stage would dampen labour enthusiasm and that the wage system must continue.

Clearly, there were "leftists" in the Party who were pressing for more free-supply, less commodity exchange and a quickening of the two transitions. But the leadership realized the administrative and financial problems this would entail because even the mere act of creating the communes had caused tremendous dislocation. Therefore, it called for strict economy, careful planning, rational allocation of manpower, material and financial resources, lowering of production costs and an end to over-consumption. Thus, the overall GLF strategy was reaffirmed, but the leadership felt the need for restraining cadres in regard to issues like over-centralization, utilization of labour, ownership, distribution, and collectivization of living. Inspite of the fact

that target figures for 1959 were still unrealistically high and the Government was committed to a further leap forward, there is no doubt that it had realized the need for re-organization of the communes and was serious about a return to planning.

Thus, the main theme of Party statements in the first four months of 1959 was that there must be adequate planning of output and allocation of resources. Excesses such as the sheer non-existence of a plan in many communes, neglect of accounting in the attempts to achieve maximum production at any cost and reliance on mass enthusiasm rather than rational incentives, were checked. It was even recommended that the targets be scaled down in order to give production brigades an extra incentive to work for bonus wages.[67] Communes were warned against attempts at self-sufficiency as this would endanger the cities' food supply and they were asked to increase subsidiary production to overcome the food shortages which occurred in the summer of 1959. Other directives called for devotion of more manpower to agriculture and asked communes to give up ideas previously inculcated about reducing sown acreage and relying on close planting to increase production.[68]

In his report to the First Session of the Second National People's Congress in April 1959, Premier Chou En-lai went even further: he called for the strengthening of

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67. Ibid., p. 32.

68. Ibid.

centralized leadership over industry so as to fit in the activities of local industries into the country's unified plan.[69] He spoke of the need to satisfy the requirements of key projects and demanded that:

> Readjustment in projects of production and capital construction, distribution and allocation of important materials and equipment, increasing and transferring administrative staff and workers in enterprises, changes in the labour and wages system, and disposition of technical forces must be put under the full charge and united command of the central authorities as well as provincial, municipal and autonomous regional authorities. (70)

Chou was in effect calling for a reversal of a basic assumption of the GLF: that decentralization under the slogan "Party Secretaries assuming leadership and placing politics in command" was the key to an economic breakthrough in China. Similarly, on the agricultural side, he insisted that agriculture employ not less than 80 percent of China's total manpower and that factories and mines stop recruiting from the countryside. Within the commune, labour requirements of the farming season must be respected and all construction, etc. must be done in the slack farming season. Further, he called for production contracts between trading organizations and the communes and the production brigades.

Thus, the dominant theme of Chou's address was the institution of a system of priorities under the slogan "the whole country a coordinated chess game". This slogan had

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69. Chou En-lai, "Report on Government Work", ibid., pp.503-529.

70. Ibid., p. 513.

been given by a People's Daily editorial two weeks earlier,[71] and it was under this slogan that the reorganization of the rural people's communes was to take place. This decision must have been confirmed at the enlarged Politburo session at Chengchou which met from the end of February to the beginning of March 1959. Directives were issued covering: (a) the need for business accounting at all levels; (b) the retention and expansion of the wage system of "to each according to his work"; and (c) the creation of a three-level ownership system with basic ownership at the production brigade level.[72] Thus, it had been decided that the ownership of agricultural land, local industrial enterprises, tools, cattle and seeds, which upto then had been reserved for the people's communes, was to be distributed in three levels: the commune, the production brigade and the production team. The Seventh Plenum of the Central Committee which met in Shanghai (April 2-5) confirmed these decisions.[73]

The summer of 1959 is a watershed in the history of the CCP after 1949. The first year of implementing Mao's policy of the "Three Red Banners" had proved to be a failure and the rest of the leadership's attitude to this failure and the remedial steps which they advocated and Mao's resistance to some of these measures would be the latent tension within

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71. "Take the Whole Country as a Coordinated Chess Game", People's Daily editorial, February 24 1959, in SCMP, no. 1970.

72. Bowie and Fairbank, n. 8, p. 504.
73. See Jurgen Domes, The Internal Politics of China, 1949-72, (London: C.Hurst and Co., 1973), pp. 109-110.

the leadership for the next six years until it erupted into the purge of the Cultural Revolution.

Natural disasters in 1959 stretched the administrative machinery to the utmost and aggravated the problems of reorganizing the communes and maintaining production. A People's Daily editorial on August 6 warned against the rise of "rightist-inclined opportunists",[74] thus characteristically attributing the current difficulties to political and not economic or human causes.[75] We now know the full details of the dramatic confrontation between Mao and the Minister of Defence, Marshal P'eng Teh-huai at the Lushan Plenum in the latter part of July.[76] P'eng challenged the wisdom of the GLF strategy and the creation of the people's communes in the strongest terms and labelled these movements "petty bourgeois fanaticism".[77]

In his speech, Mao insisted on the correctness of his line and accepted that he had made mistakes, but he asked

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74. "Overcome Rightist - Inclined Sentiment and Endeavour to Increase Production and Practice Economy", People's Daily editorial, August 6 1959, in SCMP, no. 2074.

75. Bowie and Fairbanks, n.8, p. 33.

76. See The Case of P'eng Teh-huai, 1959-1968. (Hong Kong: Union Research Institute, 1968).

77. P'eng Teh-huai's "Letter of Opinion", ibid., p. 11. For a discussion of the military considerations behind P'eng's attack, see David A. Charles, "The Dismissal of Marshal P'eng Teh-huai" The China Quarterly, no.8 (October-December 1961), p.64.

the rest of the Party to shoulder the responsibility for these mistakes also.[78] He admitted that the party was alienated from the masses for "2 or 3 months" as a result of the "communist wind" whipped up by commune level cadres. "There was petty bourgeois fanaticism in it", he said, but this "wind" was suppressed within a month and "whatever should be returned was returned, and the accounts between the communes and its production brigades and teams were clearly settled."[79] Describing the excesses of the cadres as virtual robbery ("we took away property from the production brigades and teams, took the fattened pigs and cabbages and walked away"), he claimed nevertheless that the cadres and the masses had received an education : "Within a very short period, they were made to understand that equalitarianism would not do, that it is not possible to follow 'equalitarianism, allocation and deduction of money'".[80] Facts had now taught them, he continued, "the law of value, exchange of equal values, or distribution according to work done".[81] He apportioned the blame between leaders (including himself), planners and cadres, and insisted that people like P'eng who were wavering now and putting losses before gains have the wrong ideological orientation. The Lushan communique spelt out the nature of this ideological orientation; it was "right opportunism".[82]

78. "Mao Tse-tung's Speech at the Eighth Plenary Session of the CCP Eighth Central Committee", July 23 1959 (?), n.76, pp. 15-26.

79. Ibid., p. 17.
80. Ibid.
81. Ibid.

82. "Communique of the Eighth Plenary Session..." n.8, p. 535.

The Plenum took the painful decision of scaling down the targets for 1959 (in view of the natural disasters and "verified statistics") and admitted that the figures previously published on the 1958 output are a "bit high". The new figures given for 1958 were far more conservative; 250 million tons for grain and 2.1 million tons for cotton.[83] Similar corrections were announced for industrial output and the communique laid down more modest targets for 1960. The slogan of catching up with Britain within 15 years was retained, and the communique said that due to their advantages the people's communes had taken firm root. But, "the principal danger now facing the achievement of a continued leap forward this year is the emergence of Right opportunist ideas among some cadres".[84]

The Plenum also adopted a "Resolution on Developing the Campaign for Increasing Production and Practicing Economy" on August 16.[85] This resolution declared that in the three-level type of ownership of the means of production "ownership at the production brigade level constitutes the basic one". This confirmed the Chengchou and Shanghai decisions and was the first "step backwards" - back to the former higher cooperative as the de facto basic unit. Thus the commune was reduced to little more than a federation of collectives.[86]

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83. Ibid., p. 534.

84. Ibid., p. 535.

85. Text reprinted in Bowie and Fairbank, ibid., pp. 536-540.

86. Marion R. Larsen, "China's Agriculture under Communism", n. 29, p. 220.

Decentralization within the commune had begun. The commune was now entrusted mainly with coordinating the economic plans of its constituents. It administered schools, factories, means of transportation, machinery, etc., but on actual planning and allocation of labour, it had a minor and severely curtailed role. The production brigade emerged as the key unit for directing economic activity. Ownership of local animals and tools was transferred to them and they were the basic accounting unit as well as being responsible for paying taxes, controlling the food ration, distributing income and directing the activities of the production teams. Furthermore, the household was reinstated as the basic unit of society; personal property was returned to households, private plots and free markets were reestablished, free supply was curtailed, and families could prepare their own food.

Thus, while the "right opportunists" were dismissed, the policy of the "Three Red Banners" was only paid lip service: the communique and the resolution of the Lushan Plenum in essence adopted the political measures proposed by the critics.[87] The outcome of the Lushan conference, therefore, appears to have been a compromise between Mao and those who were gravitating towards Liu Shao-ch'i and wanted him to execute the new pragmatic policies. Moderates like Chou En-lai deserted those who had come forward too openly against Mao.[88] (Mao had threatened to raise another

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87. Domes, n.73, p. 113.

88. Ibid.

army if the conference followed the views of his critics). Mao, for his part, had to be satisfied with the dismissal of the individuals who opposed him, accept the reversal of his policies and wait for an opportune moment to re-assert his control over the future direction of China's economic and social development.[89]

Prominent place was now being given in the press to "sabotage" by "right opportunists" and reports of severe natural disasters in many areas and bad weather conditions in the rest of the country. The situation deteriorated further in 1960. The "three bitter years" had set in. At the end of 1960, it was officially reported that 60 million hectares of agricultural land, i.e. 55 percent of the cultivated area had been hit by natural disasters.[90] No official statistics on harvest yields were released from now on, but as we have seen already there was a drastic decline in production.[91]

The man-made and natural disasters of 1959-62 had produced a situation which was unprecedented since the

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89. Mao considered the failure of the GLF as part of the CCP's education in the laws of socialist construction and economics. Therefore, he repeatedly argued that just as the CCP succeeded in making a socialist revolution in China by learning from the numerous setbacks it had suffered in the 1920's and early 1930's, the failure of the GLF too was one such temporary setback. He believed that the GLF policies and aims were essentially correct, but the right methods of implementing them had to be devised in the light of actual conditions and past experience. This subject will be discussed in detail in chapter III.

90. Domes, n. 73, p. 114.

91. Stavis, n. 22, p. 12.

civil war. Shoe-string rationing had to be introduced in the whole country. The average amount of calories a Chinese consumed per day in 1959-61 has been calculated at only 1,790 calories as compared to the minimum requirement of 2,350 calories.[92] From 1961 China had to import great quantities of grain from abroad. In 1957 China had an export surplus of 700,000 tons of grain. In 1961 China had to purchase 6.2 million tons of wheat and 5.3 million tons in 1962.[93]

For a country so heavily dependent on agriculture, such an agricultural disaster could only mean a precipitious decline in industrial production as well. Malnutrition and the shortages of cotton and other agricultural raw materials hit industry badly. This was further aggravated by the sudden departure of Soviet technicians from the factories in the summer of 1960. The Chinese leadership was thus confronted with a situation which if not speedily brought under control could undermine the stability of the regime. Obviously the mass campaigns initiated by Mao were now inappropriate. Therefore, it was decided to make a retreat even more far-reaching than the climb-down at Lushan.

Here it must be pointed out that as a result of the anti-Rightist campaign there was a temporary resurgence of the Great Leap sprit under the leadership of the production brigades in 1960.[94] Disbanded mess-halls were reopened,

92. Larsen, n. 29, p. 265.

93. Domes, n. 73, p. 115.

94. Larsen, n. 29, p. 220.

private plots were recollectivized, and rural markets were closed. Attempts were made to raise hogs collectively and massive water conservancy and other off-field jobs once again ate into the requirements of crop-work in the spring of 1960. But as the natural calamities continued the disillusioned and wary leadership sensed fresh setbacks. Steps were taken to "strengthen leadership" at all levels to ensure careful supervision and honest reporting. The reports confirmed suspicions of yet another lean harvest. In the face of impending famine, prompt action was taken to conserve food and reduce the workload of the exhausted and undernourished population. A wholesale suspension of construction and other off-field activities was ordered. Super-intensive farming practices were discontinued, the mess-halls were totally wound up, and the peasants were released from brigade supervision and were assigned to production teams where they reverted to more traditional modes of farming. Only 5 percent of the work force could now be utilized for brigade or commune projects, thus leaving 95 percent under production team jurisdiction.[95] Also, the teams were required to retain at least 80 percent of their workers for field work during the busy farming season.[96]

The secret directives of 1961 and 1962 institutionalized

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95. Ibid., p. 221.

96. Ibid.

these changes. The "60 Articles" of 1961[97] restricted the powers of the production brigade, and the production team became the basic production unit, although the brigade continued to be the basic accounting unit. Relations between the brigades and the teams were now regulated by the system of "three guarantees and one reward". Under this system the teams promised to meet certain targets for output, costs and use of labour and they obtained bonuses if they did better than promised. Decentralization of powers within the commune was further extended by the "12 Articles"[98] of September 1962 which made the production team the basic accounting unit. At about this time the system of "four fixes" was also introduced which assured the teams of the use of definite quantities of land, labour, tools and animals.[99]

That these remedial measures caused confusion in the Party and the army is evident from the secret military papers. For instance, one of the articles says that the campaign to

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97. This document has remained unpublished though we know its contents. Also it figures prominently in the secret military papers referred to in the first section of this chapter. It was on the basis of this document that the army conducted a rectification movement in April-May 1961 to correct the army rank-and-file's views on the commune situation. See J. Chester Cheng, n. 27, pp. 405-411.

98. See A. Doak Barnett, Cadres, Bureaucracy, and Political Power in Communist China (New York, London: Columbia University Press, 1967), p. 342.

99. Ibid.

study the "60 Articles" and Mao's 1930 essay "On Investigation Work" was necessary as "A small number of people show that under the temperory difficult circumstances their beliefs are being shaken, and passing from uncertainty to doubt, they are beginning to ask if the new policies of the Party and the superiority of the system of the people's communes are real or only imaginary".[100]

The same document revealingly enumerates "four problems in education". These were:

(1) Why do we say that the situation in the rural districts is good?

(2) Why do we say the implementation of the Sixty Articles will show even more the superiority of the rural people's commune?

(3) Why do we say that permission given to members of the commune to carry on family sideline occupations and the opening of rural markets will not lead to capitalism?

(4) How are we to realize and deal with the principle of proportioning earnings according to labour? (101)

The Party was thus finding its authority undermined, and the mystique of its infallibility had been demolished by the retreat of 1960-61. The above "four problems in

100. "Indorsement and Transmission by the General Department of the 'Report of the 208th Infantry Regiment of the Educational Program for the Draft of Rules and Regulations Concerning Work in the Rural People's Communes'". Cheng, n. 27, p. 465. The study of Mao's essay, "On Investigation Work", was to help instill realism into the thinking of the cadres whose "blind optimism" was chiefly blamed for the excesses of the commune movement. The value of using this document to study the commune situation was said to be that it taught that "we must start everything from the actual situation; a person cannot express an opinion without investigation". Cheng, n.27, p. 409.

101. Ibid., pp. 467-468.

education" clearly show that skepticism about the Party's "correctness" was widespread. It is this skepticism which came to be labeled as the problem of "those who are viewing the Party policies from the standpoint of individualism and rightist ideology". The Socialist Education Movement of 1962-66, which we shall discuss in the next chapter, was meant to rectify this erosion of faith in the Party which had even affected Party cadres.

C. The 'Agriculture First' Strategy

The sober reassessment of the situation which began at the Lushan conference led inexhorably to the enunciation of a new economic policy at the Ninth Plenum of the Eighth Central Committee in January 1961. Instead of high speed development under the slogan of achieving "greater, faster, better and more economical results", the line of "readjusting, consolidating, filling out, and raising standards" was adopted. The communique called for a thorough carrying out of "the policy of taking agriculture as the foundation of the national economy" and "support for agriculture by all trades and professions".[102] The basic slogan of the new economic policy was given by Liu Shao-ch'i on June 30 1961 in a speech commemorating the 40th anniversary of the founding of the CCP. He declared that from now on, the key principle of the Chinese economy would be "agriculture as the foundation

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102. "Communique of the Ninth Plenary Session of the Eighth Central Committee of the Chinese Communist Party", Peking Review, no.4 (January 1961), p. 5.

and industry as the leading factor".[103]

In operational terms this meant that China's leaders had adopted a policy of "balanced" growth. As we have seen in chapter I, the Chinese planners had always acknowledged the interdependence between agriculture and industry. But they had accorded the highest priority in their investment policy to industrial development and relied on institutional changes (i.e., changing the pattern of social relation and collectivizing private property) to promote agricultural growth. However, the high rate of savings enforced by collectivization had proved to have strong counter-incentive effects on agricultural producers. The GLF strategy of putting "politics in command" and going in a big way for labour-intensive farming and diversification of the rural economy had also proved to be a failure due to the over-hasty adoption of faulty organization and methods. Now in the face of an acute political and economic crisis arising from this failure and a succession of natural disasters, the leadership was at least prepared to reduce saving and investment and raise personal consumption. For this it was ready to invest more in agriculture and consumer goods industries at the expense of the producer goods industries.[104]

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103. Current Background, no. 655, p. 6.

104. See Eckstein, n.1, p. 38.

This change of priorities was essential in order to encourage agricultural recovery and development. Its implications were that more modern inputs would be channelled into agricultural production and farm incentives would be improved by reducing taxes and the crop collection burden in general. Also consumer goods industries would receive higher priority than the producer goods industries so that the peasants' demand for these goods would be better satisfied. Finally, heavy industry would no longer concentrate on producing investment goods for its own expansion but rather emphasise those producer goods branches that support agricultural development - particularly the chemical fertilizer industry. Thus the main thrust of the new policy was to give over-riding priority to the agricultural sector in order to bring about a technical transformation of agriculture. In other words, China had decided to "make a green revolution".[105] The communique of the Tenth Plenum of the Eighth Central Committee held in September 1962 summarized the decision:

> It is necessary to mobilize and concentrate the strength of the whole Party and the whole nation in an active way to give agriculture and the collective economy of the people's communes every possible material, technical and financial aid as well as aid in the field of leadership and personnel to bring about the technical transformation of agriculture, stage by stage in a manner suited to local conditions .... the urgent task facing the people of our country at present is to

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105. See Stavis, n.22, p. 95.

> carry through the general policy of developing the national economy with agriculture as the foundation and industry the leading factor. (106)

The CCP's rural policy had thus turned a full circle. In the mid-50's the technical transformation of agriculture was expected to come after the social transformation had been substantially achieved and after an industrial base had been established. The experience since then had taught the Party that there were also limits to the gains of social transformation so long as China's material conditions and the ideological preparedness of its masses were inadequate and therefore, the people's communes as originally conceived had to be abandoned. Furthermore, the experiments of 1958-60 proved that the breakthrough in agriculture by labour-intensive methods too had limitations and lacking a proper administrative framework was even counter-productive. The new policy, therefore, was that technical transformation - i.e., the introduction of modern inputs into the rural sector - must go hand in hand with a selective use of labour-intensive means of increasing agricultural production and expanding rural industry.

References to this policy had begun to appear in the Chinese press as early as February 1960.[107] According to Stavis,

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106. "Communique of the Tenth Plenary Session of the Eighth Central Committee of the Chinese Communist Party", Peking Review, no. 39 (September 1962), p. 6.

107. See Stavis, n. 22, p. 98.

the leadership seems to have arrived at this consensus by mid-1960,[108] and only the modalities remained to be worked out. The Party increasingly came to attribute low agricultural productivity and peasant discontent to ill-suited social organization, i.e., excessive collectivization and particularly the hasty introduction of the commune.

Therefore, in 1960-62 the collective system was considerably diluted by decentralizing authority within the commune to the production team. We now know that after the Lushan conference, a faction began to develop under Liu Shao-ch'i which though it did not wish to remove Mao from his post as Party Chairman, sought to reduce his hindrance to the reforms they were about to carry out.[109]

When even the measures of 1961 failed to arrest the agricultural crisis Liu's group was contemplating even more liberal measures known as the system of "three privates and one guarantee (San-tzu i-pao)".[110] Under this system the private sector in the countryside was to be further expanded in three ways - private plots of land would be increased, markets for selling privately produced goods would be enlarged and private production of handicrafts would be expanded.

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108. Ibid., p. 99.

109. See Kang Chao Agricultural Production in Communist China, 1949-65 (Madison: University of Wiscousin Press, 1970), p. 30.

110. People's Daily, November 23 1967. Cited by Chao, ibid.

The "one guarantee" part of the slogan meant that a specific plot of land would be assigned to a household, and the household was entitled to receive whatever was produced above the quota. "This aspect of the proposed programme meant that field management and incentives would be fairly similar to private farming although families would not be able to buy, sell or rent land as in the past".[111]

The introduction of this system was discussed in the September 1962 Central Committee meeting and vehemently rejected by Mao. He argued that the failure of collective farming was not a result of its inherent shortcomings but was caused by a lack of adequate political education on the part of the cadres and peasants. The solution, therefore, was not to abandon collective farming but to intensify socialist education in the countryside. As the final communique put it, "Let us not forget the class struggle".

The proposals of the Liuists were not accepted partly because the economic situation had improved and partly because the rest of the leadership considered it as too drastic a retreat from the ideological point of view. As the Red Guards were later to say, Mao had stopped the "black wind of capitalism" in the country.[112]

The alternative adopted by the Tenth Plenum was to maintain intact what had remained of the collective economy

111. Stavis, n. 22, p. 100.

112. Chao, n. 109, p. 31.

in 1962 and increase investment in the rural sector to strengthen it. It was felt that such a shift in priorities would help reduce rural discontent by improving the peasantry's standard of living, and at the same time the technical transformation of agriculture would provide "a material basis of uniting the peasants and consolidating the collective economy"[113]. This was because, "Agricultural production using machinery in a big way cannot be operated in a disorganized manner; it is beyond the power and scope for a small peasant economy consisting of individual farming households to operate modern technical equipment"[114]. Thus the problem of the "small producer way of thinking" would be solved by giving a material basis to the collective economy.[115] At the same time, industry would not be hurt too much as it would continue to grow to assist agriculture. However, a reorientation of industry would have to be carried out.

Thus, a compromise was evolved at the Tenth Plenum. The commune system was retained with the production team as the basic unit and steps were taken to increase the volume of modern inputs for the agricultural sector in order to strengthen the collective economy. However, as we shall see in the next chapter, the Party organization under Liu began to implement the 'agriculture first' policy in a manner which was unacceptable to Mao as in his view, it did not stress

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113. "Actively Realize Technical Transformation of Our Country's Agriculture Step by Step", People's Daily editorial, November 9 1962. SCMP, no. 2864, p.1.

114. Ibid.

115. See Stavis, n. 22, p. 102.

ideology and by concentrating too heavily on market mechanisms and state investment in industry and other sectors did not permit the communes and peasantry of China to participate in the construction of a socialist economy in China.

Chapter III

THE IMPACT OF THE 'AGRICULTURE FIRST' STRATEGY AND THE SOCIALIST EDUCATION MOVEMENT, 1962-1966

Chapter III

THE IMPACT OF THE 'AGRICULTURE FIRST' STRATEGY AND THE SOCIALIST EDUCATION MOVEMENT, 1962-1966

In the previous chapter, we have discussed in detail the aftermath of the GLF and the factors which compelled the CCP to abandon this high-speed, mass-mobilizational strategy, reorganize the commune system, and institute a more rational incentive policy in the countryside.

In the first section of this chapter, I shall examine the organization of the commune as it existed between 1962-66. The second section will analyze the rapid economic development of the rural sector in this period under the 'agriculture first' strategy which was enunciated at the Tenth Plenum of the Central Committee in September 1962. The third section is devoted to the Socialist Education Movement whose credo, "Let us not forget class struggle", was also enunciated at the Tenth Plenum at the instance of Mao Tse-tung. Mao launched this campaign in order to check the liberal (and for him potentially "revisionist") tendencies generated in the countryside by the adoption of the small production team as the basic unit of production and distribution, and the relatively greater freedom which was now given to the rural private sector. Mao did not object to the 'agriculture first' strategy and the greater incentives given to the farmers under its non-exploitative

policies. But he was apprehensive that if "socialist education" and class struggle continued to be given a subordinate place to the policies of "production in command" there will be a "capitalist restoration" in the countryside and China as a whole.

A. The Reorganization of the Rural People's Communes

The first significant fact to be noted here is that the number of communes was drastically increased after the reorganization of 1960-62. In 1963, it was officially stated that there were 74,000 rural people's communes in China.[1] This number remained fairly constant until the mid-60's.[2] The increase in the number of communes reflects the fact that the Chinese planners basing themselves on the Great Leap experience had recognized that the general administrative system of collective agriculture must be modified in a manner which was more consistent with the traditional scale of social organization.[3] Each commune now consisted of those villages which were traditionally related to a particular

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1. Liao Lu-yen, "Collectivization of Agriculture", Peking Review, no. 44, 1963; in Selections from China Mainland Magazines (hereafter SCMM), no. 391, pp. 21-32.

2. Frederick W. Crook, "The Commune System in the People's Republic of China, 1963-74" in China : A Reassessment of the Economy, Joint Economic Committee of the U.S. Congress, (Washington, 1975), p. 375.

3. See G.W. Skinner, "Marketing and Social Structure in Rural China", Journal of Asian Studies, vol. XXIV, no. 3 (May 1965), p. 394.

market town. This not only facilitated greater economic co-ordination within the commune, but also since the commune now coincided with the traditional social community the people knew each other better and could more easily establish working relations for modernizing the collective economy.[4]

Given China's large size and diverse ecological conditions a great deal of variations - in size and organization - existed among the communes. For instance, suburban communes were generally larger than rural communes.[5] Also, in several cases a single natural village may coincide with the production brigade or, on the other hand, it may even coincide with the production team.[6] But with respect to the three-level ownership system with the production team as the basic accounting unit, by and large, this was a uniform feature of all communes.[7]

In contrast to the 1958 commune where no clear-cut division of labour existed, the administrative-political structures of the commune, the brigade, and the team were clearly drawn. The commune level (comprising about 1,600 households and roughly coinciding with the standard marketing area, i.e., the hsiang) owned only small enterprises such as

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4. Benedict Stavis, Making Green Revolution: The Politics of Agricultural Development in China (Ithaca : Cornell University, 1974), p. 110.

5. Crook, n.2, p. 376.

6. Ibid.

7. Ibid., p. 377.

mills, edible oil presses, farm implement construction and repair shops, brick kilns etc. The production brigade (comprising about 170 households and equivalent in area to the former higher APC) owned some farm tools and facilities. But the production team (comprising 20-30 households and equivalent to the former lower APC) owned virtually all the important means of production, viz., land, draught animals, and tools. Thus, "with the division of three levels, the commune became essentially the political-administrative unit linking the state and the locality, the brigade became the coordinating unit linking the commune and the team, and the team became the basic unit of production".[8]

Let us briefly examine the administratige-political structure, the functions, and relations with other levels of the commune, the brigade and the team separately.[9]

(1) The commune

The chief member organization of the commune remained the Commune People's Congress elected by the committee members of the sub-units. The chief executive body was the commune

8. Byung - Joon Ahn, "The Political Economy of the People's Commune in China : Changes and Continuities", Journal of Asian Studies, vol. XXXIV, no. 3 (May 1975), p. 637.

9. The following account is primarily based on Crook, n.2, pp. 366-410; Ahn, n. 8, pp. 631-658; and A. Doak Barnett, Cadres, Bureaucracy, and Political Power in Communist China (New York, London: Columbia University Press, 1967), pp. 311-424. When necessary I have given the specific reference.

management committee headed by a director and a few deputy directors. Under the directors were several functional sections dealing with administrative, political and legal matters; culture and education; health; commerce and industry; water conservancy; and military affairs. The committee's most important function was to implement Party-State policies in order to insure that the teams fulfilled production targets set by the state.[10] Its revenue was derived mostly from the state budget, its own enterprises and also some contributions from the brigades and teams. It could not levy any tax.[11] On the basis of the production plan drawn up at the hsien level the commune assigned tasks to the teams through the brigades, specifying the target and delivery quotas. The management committee also operated "demonstration plots" thus providing instruction on advanced agricultural techniques and other extension services. It also administered basic construction and irrigation.

In all its activities the commune management committee was controlled by the Commune Party Committee. These Party Committees were the most important institution of power in the countryside, and the undisputed local leader was the Secretary of the Commune Party Committee.[12] They interpreted policy decisions made at the centre, adapted them to local

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10. Ahn, n.8, p. 638.

11. Ibid.

12. Barnett, n.9, p. 346.

conditions, and ensured that policies and production plans are implemented. As a rule, the members of the Party Committee also held jobs in the commune management committee.

The commune was also in charge of civil and administrative functions, such as maintenance of law and order, keeping population and marriage registers, collection of data, etc. While the commune's participation in agricultural production was limited to activities such as fishing, forestry, and large-scale horticulture; it played a more significant role with respect to the development of rural industry.[13] Besides mills, farm tools construction and repair shops, etc., the commune controlled specialized regional industries based on local natural resources and crops. These included hydro-electric generation; processing of hemp and cotton; dairy; timber; stone quarries and small coal mines; and production of cement and fertilizers.[14] Several light industrial and consumer products such as light bulbs, shoes, etc., were produced in commune factories. But the tractor stations which had been transferred to the commune level in 1958-59 and subsequently retransferred to the hsien level in the retrenchment of 1960-62, continued to remain outside the commune's jurisdiction in this period.[15]

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13. Crook, n.2, p. 379.

14. Ibid., p. 380.

15. See Audrey Donnithorne, China's Economic System (London: George Allen and Unwin Ltd., 1967), p. 60.

The chief services provided by the commune were health, education and marketing services. The commune marketing agencies sold consumer goods to farmers and producer goods to brigades and teams and purchased goods produced by the various units in the commune.[16]

With respect to the commune's relations with other levels and institutions, the commune leaders received guidance and target plans from the hsien Government and Party leaders.[17] The hsien authorities directly administered some institutions such as Government-controlled schools, branches of the People's Bank, Supply and Marketing Cooperatives and machine tractor stations. But the commune was independent to arrange contracts with state-owned factories to produce various items and collaborate with neighbouring communes in setting up hydro-electric stations, fertilizer plants, irrigation system, etc. As to its subordinate units, leaders of various departments assisted their counterparts at brigade and team levels to make and carry out production plans and coordinate rural construction schemes.

(2) The production brigade

In organization there were many similarities between the brigade level and the commune level. The chief member organization was the Brigade Congress and its chief executive body was the brigade management committee headed by a

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16. Crook, n.2, p. 382.

17. Ibid., pp. 383-4.

brigade chief. The committee's main departments were economic management and public security, and among its members were a cashier and an accountant. The brigade management committee supplemented the activities of the commune management committee on the one hand and coordinated the activities of the teams on the other. The Party Committee of the brigade was the basic unit of the CCP in the countryside and as such brigades led political campaigns and organized "public security committees" to supervise the "five bad elements". (i.e., former landlords, rich peasants, counter-revolutionaries, rightists, and petty criminals).[18]

The chief function of the brigade was assuring that the teams met the state plan, and coordinating joint projects for irrigation, forestation and small industry. Unlike commune cadres who were full-time state functionaries, the brigade cadres were half-time functionaries drawing half of their salary from administrative work and the other half from productive work, both of which were estimated in work-points.[19] The brigade received financial subsidies from the teams, approximating one percent of each team's total income.

Like the commune level, the brigades did not produce basic agricultural commodities. However, they often engaged in swine production, i.e., raising boars and broad sows to produce piglets which were sold to teams and households.[20]

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18. See Barnett, n.9, p. 231-2.

19. Ahn, n.8, p. 638.

20. Crook, n.2, p. 391.

Between 1962-66, the brigades did not have much industry under them. Some brigades, however, did maintain farm tool repair shops, mills, etc. Some health services and primary schools were also managed by the brigade. They also had "wire broadcast" systems through which they disseminated central policies and other information on agriculture and birth control.[21]

(3) The production team

The production teams controlled most of the means of production and as such they assumed the final responsibility for production risks and all major economic decisions made in the rural areas. The team management committee consisted of a chief, a deputy, a cashier, a custodian (to care for the team's tools, animals, and granaries), and an accountant or work point recorder, all of whom were elected by the Team Congress and not exempted from labour. Most teams did not have a Party cell and if a team had a Party member he was usually a leading member of the managing committee. Most of the income of the production teams came from collective agricultural production, and individual members were free to spend or invest earnings from their private plots and family side-line occupations as they wished.

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21. As we shall see in the next chapter, a more important role was given to the brigade during the Cultural Revolution.

Team members were motivated to work for collective agricultural production through a combination of material and non-material incentives.[22] The latter included labour discipline codes, selecting and honouring "model" farmers for outstanding work, and inducing teams to engage in friendly competition with each other. But these were not as prominent as in the Great Leap period. Each individual peasant now earned work points calculated on the basis of the work he contributed to collective plots and enterprises. Thus, the team's income was first calculated after deductions for tax, welfare, accumulation funds, etc., and this residue was then distributed according to the socialist principle of "to each according to his work". Also the degree of material incentives was increased by lowering the prices of agricultural inputs and increasing the Government-fixed purchase prices of farm produce.[23]

B. Economic Policy

Once the new economic policies collectively known as "Readjustment, Consolidation, Filling-Out and Raising Standards" were launched, their impact on the rural economy was swift. By the end of 1962 the worst was over in the food supply situation, and by 1964 a dramatic spurt in agricultural output was well under way. For instance, grain production alone is estimated to have risen at an

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22. See Crook, n.2, pp. 397-402.

23. This aspect will be discussed in detail in the following section.

annual growth rate of 6 percent between 1963 and 1967.[24] This recovery was due to three factors: (1) the adoption of suitable organization, institutional stability, and efficiency in team management; (2) the increase of technical inputs into agriculture under the slogan of "four transformations" - electrification, irrigation, use of chemical fertilizers, and mechanization; and (3) the increase of work incentives.

(1) The devolution of the rights of ownership to the production team of approximately 20-30 families and the high degree of autonomy in management vested in it, represented a recognition by the centre of the limitations on its power to dictate the pattern of social and economic life of the countryside from above. The multi-purpose, all-powerful commune of approximately 5,000 families trying to manage production through mass mobilization had proved a failure. A few inexperienced cadres could not manage thousands of workers producing scores of different products mostly by traditional methods. And since a very large number of people shared the fruits of the efforts of each individual labourer, this meant that the individual saw no connection between effort expended by him and what he received as income. This was reflected in the fall of labour productivity as long as the big units existed. The ensuing economic crisis compelled the centre to accept these realities and forge a compromise

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24. Stavis, n.4, p. 12.

between the twin goals of raising productivity (for which the material incentives of the peasantry must be kept at as high a level as the interests of the collective economy permitted) and equal distribution (by retaining collective organization, albeit as a considerably lower level than the original commune, and by strictly regulating the private sector).

The 1962 commune charter[25] promised that these institutional features of the rural economy would not be changed for at least 30 years.[26] This guarantee of institutional stability was important because the peasantry was weary of a decade and more of constant change and dislocations. But perhaps more significant than this was the fact that the CCP had at last given up the assumption that production would go up only by resorting to social and organizational changes. The CCP had learnt the lesson that such changes can facilitate labour-intensive projects like irrigation and construction and thus for some time substitute for resources and technology; but for these endeavours to be effective, they must be implemented in the light of local conditions and must be complemented by modern inputs.

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25. "Regulations Concerning Rural People's Communes - Revised Draft", cited by Ahn, n.8, p. 652. This document was the final version of the "60 Articles".

26. This assurance continues to be honoured to this day - even the radicalism of the Cultural Revolution did not affect the pattern of ownership and management in the communes.

Thus, the decentralization of ownership and management to the production team meant that the appropriate scale for equalizing distribution and promoting production had been achieved.[27] With the decisive power in the hands of the production team, policies conceived at the centre could now be related and adapted directly to local conditions by the localities themselves. As John C. Pelzel has put it, the central plan in this period "should be viewed less as order to local cadres than as an argument".[28] In these conditions, many of the advantages officially claimed for collectivization began to manifest themselves. Firstly, it was easy to organize and mobilize labour for rural construction projects. As Benedict Stavis points out, "Because there were several levels of rural institutions (team, brigade, commune), interests can be identified, expressed and articulated for projects of almost any scale and there is the capacity to organize projects of any scale".[29]

Secondly, the collective system of ownership made it profitable to utilize <u>all</u> available manpower - efficient and inefficient - continuously for rural construction. As long as increments in labour had positive productivity, no matter how small, all local manpower would be utilized rather

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27. See Stavis, n.4, p. 112.

28. John C. Pelzel, "Economic Management of a Production Brigade in Post-Leap China", in W.E. Willmott (ed.), <u>Economic Organization in Chinese Society</u> (Stanford: Stanford University Press, 1972), p. 397.

29. Stavis, n.4, p. 112.

than forced to seek employment in the cities.[30] Also, since projects could only be carried out through consultations between all three levels, normal production activity did not suffer. Thus, water and soil conservancy project were now carried out only on a local basis : state-financed large-scale projects were given up. The communes concentrated on repairing and rationalizing projects which had been hastily put together during the GLF and emphasized only small construction utilizing locally available resources.[31]

Thirdly, routine and autonomous management by the production team made possible a considerable improvement in field management and book-keeping. Local management skills could now develop because the ad hoc decisions from above which were a feature of the Great Leap period no longer occurred.[32]

In this relaxed and non-autarchic atmosphere the 'agriculture first' policy adapted at the Tenth Plenum came into full play. John C. Pelzel has succinctly summarized the new situation in the countryside:

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30. See Kang Chao, Agricultural Production in Communist China, 1949-1965 (Madison: The University of Wisconsin Press, 1970), pp. 37, 47.

31. See Jan S. Prybyla, "Communist China's Strategy of Economic Development, 1961-1966", Asian Survey, vol.VI, no. 10 (October 1966), p. 593.

32. See Pelzel, n.28, p. 593.

> No longer was rural productivity to be enormously increased and diversified overnight, and units were left to build slowly on the basis of the combined subsistence-commercial agricultural economy and the handicraft economy they already possessed. (33)

(2) A major effect of the 'agriculture first' strategy was the reorientation of industrial production to serve the needs of agriculture and retrenchment in heavy industry. The cut-off of investment in industry was dramatic in 1960-61.[34] Apart from cutbacks in state-financed water conservancy projects, the steel industry was the most severely affected. By 1964 more funds were being allocated to industry, but this benefited mainly light industry which supplied peasants with consumer goods and earned foreign exchange.[35] Other beneficiaries were those branches working directly for agriculture such as chemical and agricultural machinery.

Moreover, as the basic policy was that "various localities should endeavour to build up independent industrial systems" a very high proportion of state investment marked out for industry was channeled into the local industrial network. These were to take over the burdens of supplying agriculture with new inputs and equipment and provide consumer goods to the peasantry. By 1966, two-thirds of the gross value of agricultural machinery production came ffom local and medium plants, and small plants contributed a third of

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33. Ibid.

34. Prybyla, n.31, p. 596.

35. Ibid.

the total nitrogenous fertilizer production in 1968.[36] Thus the GLF objectives of promoting local industry and "walking on two legs" continued with the difference that it was now being carried out in a coordinated and sensible manner.

With the implementation of this industrial policy, the supply of industrially-produced farm inputs increased manifold after 1962. In order to exploit this more effectively it was decided that the emphasis should be on maximizing the areas of high and stable yields in respect to staple crops.[37] The slogan of "diversification of agriculture with grain as the leading link" was adopted with the intention of concentrating on the development of existing high-yield farms rather than pushing ahead with ambitious land reclamation.[38] At the same time, most state investment was allocated

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36. Carl Riskin, "Small Industry and the Chinese Model of Development", The China Quarterly, no.46 (April-June 1971), p. 271.

37. Prybyla, n.31, p. 591.
As we shall see in the next chapter, the selective application of modern inputs in some areas known as the 'hundred key hsien' became one of the major issues in the "two line" struggle in farm mechanization during the Cultural Revolution.

38. The official figure for total cultivated acreage given in 1973 and 1974 was about the same as that published in 1958. According to Dwight H. Perkins, this is due to the fact that while new land has been opened up for cultivation this has been offset by alienation of a similar proportion of existing cultivated acreage to industrial and mining uses. See Dwight H. Perkins, "Constraints Influencing China's Agricultural Performance", n.2, p.353.

to developing irrigation and drainage facilities on the selected high yielding areas so that a crop could be harvested should either a drought or a flood occur.[39]

Benedict Stavis has estimated that by the end of 1960's, 20 percent of China's cultivated area (i.e., about 25 million hectares) had modernized agriculture : "Of this, about 10 million hectares have mechanized irrigation, new seed technologies, probably chemical fertilizer, and some use of tractors for cultivation. On roughly another 15 million hectares cultivation is basically mechanised".[40] In the rest of the cultivated areas some modern inputs were used such as improved seeds, improved cultivation techniques, or some chemical fertilizer, mechanization and electrification. But these complemented rather than replaced the traditional methods of using natural fertilizers and improved farm tools.

With respect to the problem of what to produce and where, the main objective was to make most communes self-sufficient in grain. Once this was achieved, acreage for this purpose was reduced by using more modern inputs and directed to producing industrial crops. Where it was profitable and climatically more practical to concentrate on cotton or any other industrial crop, the authorities assured these

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39. See Alva Lewis Erisman, "China: Agricultural Development, 1949-71" People's Republic of China: An Economic Assessment Joint Economic Committee of the U.S. Congress (Washington, 1972), p. 132.

40. Stavis, n.4, p. 1.

communes of grain supplies through imports.[41]

The following statistics on the production and use of modern inputs give a clear picture of the massive transfer of resources and investment to the rural sector under the 'agriculture first' strategy.

From 1957 to 1965, mechanical irrigation equipment rose from 0.56 million horsepower to 8.6 million horsepower.[42] This equipment was used on about 6.6 million hectares of land in 1965, mostly near urban areas in order to assure a high and steady yield of grains and vegetables.[43] Other benefits of this rise in mechanical irrigation were in the fields of flood control, regulation of water supplies required by high yielding varieties of rice, and in facilitating multiple cropping.[44]

By 1965, almost 3.3 million hectares of high yielding rice and about 2.5 million hectares of high yielding wheat were planted.[45] Areas that adopted new varieties of high yield seeds showed increases in yields of roughly 0.37 to 0.75 tons per hectare; sometimes the increase was as high as 1.5 to 2.2 tons per hectare.[46] Careful field management in accordance with the Eight-Point Charter and widespread dissemination of technical knowledge among the rural population

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41. Erisman, n.39, p. 132.

42. Stavis, n.4, p. 23.

43. Ibid.

44. Ibid., p. 26.

45. Ibid.

46. Ibid., p. 28

through the strengthening of agro-technical services ensured that in all cases adoption of this and other innovations was on a scientific basis.[47]

Perhaps the most significant factor in increasing agriculture production was the phenomenal rise in production, import and usage of chemical fertilizers. After 1961, the chemical industry became one of China's fastest growing industrial sectors and the bulk of industrial imports was to support the chemical industry. It is commonly known that new seeds and improved irrigation can only be effective if complemented by fertilizers. According to Dwight H. Perkins, "If one assumes that the nutrient content of China's fertilizer was around 20 percent of its gross weight, then in 1957 China had only from 4 to 5 kilograms of chemical nutrient per hectare. By 1974 the per hectare average had risen to between 50 and 60 kilograms of nutrient". [48] At the same time, the drive to collect human and animal manure was not abandoned.[49]

With respect to mechanization, the number of tractors in use in China rose from 90,000 in 1961 to 130,500 in 1965.[50] Industry was ordered to provide tractors geared to local topographical conditions and the requirements of the particular job to be done. However, with labour in plentiful supply

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47. Ibid., pp. 156-206. Also see Chao, n.30, pp. 87-90.

48. Perkins, n.38, p. 355.

49. Prybyla, n.31, p. 592.

50. Chao, n.30, p. 107.

tractors were used not to increase farm output through higher yields per unit but through a higher double cropping index, i.e., to overcome seasonal agricultural labour shortages which was a major bottleneck in extending double or multiple cropping system to a wider area.[51]

At the same time, a policy of tool improvement or 'semi-mechanization' was vigorously promoted after 1964.[52] This involved the replacement of human power with grindstones, frails, simple threshers, huskers, fillers, harrows, multi-share ploughs, sowers, etc., all of which can be made cheaply and repaired on the spot. More than 25,000 farm tool workshops were established between 1962-65 to help the farms in this task.[53]

Finally, electric power consumption in the rural areas trebled between 1961 and 1965 but only about a third of this was generated by the rural hydrolectric stations.[54]

(3) Appropriate organization and the application of modern inputs were important conditions for agricultural growth; but perhaps the most effective factor was the increase in farm incentives by allowing the units to retain most the grains of increased productivity. In order to give further impetus to peasant motivation the Government refrained from

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51. Ibid., p. 97.

52. Ibid., p. 105.

53. Prybyla, n.31, p. 591.

54. Chao, n. 30, pp. 140-41.

increasing agricultural tax even though productivity increased. The result of this was that agricultural tax became a declining percentage of a production unit's operation costs, often less than 5 percent.[55]

The Government could also have extracted a large portion of the newly generated agricultural surplus by raising the prices of inputs which gave rise to a substantial proportion of the surplus in the first place. Here too the Government showed a positive attitude to farm incentives. The terms of trade between agriculture and industry were reversed from what they were in the 50's and were made relatively favourable to agriculture.[56] Thus, on the one hand, farm purchase prices were allowed to rise, and on the other, the retail prices of industrial products sold to farmers were held firm or even declined.[57] Grain purchase quotas were also held low by resorting to grain imports.[58]

The allotment of 5 percent of cultivated land for private plots (which the farmer was allowed to use for any purpose he wished and was free to sell its produce in an open market) added to the farmer's purchasing power and he could, therefore, afford to buy more and consume more than before.

The effect of all these policies was that a great bulk of the increase in productivity now came to be retained by the agricultural production units (collective and private)

55. Stavis, n.4, p. 141.

56. See Perkins, n.38, p. 362. Also see Stavis, n.4, pp.141-5.

57. Perkins, ibid.

58. Ibid., p. 364.

themselves and served as an incentive to use their surplus for greater investment in collective and private production. Thus a kind of spiral effect was successfully created by allowing a large amount of surplus to remain with the agricultural units. This induced them to invest more by buying more modern inputs, and this in turn led to greater development of industry to satisfy this demand. At the same time per capita income went up and the peasants enjoyed a relatively higher standard of living and their purchasing power also increased. This in turn benefitted the light industries. Mao's concept of balanced growth which he formulated in his "On the Ten Great Relationships" (1956) had envisaged precisely this kind of model.[59]

But even as this favourable trend was setting in, the top Party leadership was drifting apart on fundamental issues. Broadly, following the sequence in which they unfolded during the Socialist Education Movement and the Cultural Revolution (they were, of course, intermingled), these issues can be put into two categories: (1) what measures should be taken to strengthen the collective economy; how to curb the tendency among peasants to "go it alone" and neglect collective work and interests, thus sharpening class polarization in the

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59. Text of Mao's "On the Ten Great Relationships" reprinted in Stuart R.Schram (ed.), Mao Tse-tung Unrehearsed Talks and Letters: 1956-71 (London: Penguin Books, 1974), pp. 61-83. For a discussion of the Maoist model of economic development, see Jack Gray, "The Two Roads: Alternative Strategies of Social Change and Economic Growth in China", in Stuart R. Schram (ed.) Authority, Participation and Cultural Change in China (Cambridge: Cambridge University Press 1973), pp. 114-121.

countryside; and how to rectify cadre corruption and demoralization in the post-Leap period; and (2) what should be the future direction of China's overall social, economic and political development - specifically the issues of centralization, specialization and mechanization and their implications for the revolutionary nature of the CCP and the People's Republic of China. We must now turn our attention from the relatively stable post-Leap social and economic set-up in the countryside to the turbulence of Maoist revolution which was gathering at the same time.

C. Socialist Education Movement

The strategy of the GLF was a proto-type of Maoist revolution and development : in popular parlance, it was the first step in China's own road to socialism. When the CCP came to power in 1949, Mao Tse-tung had candidly declared that the Party had learnt to make socialist revolution but it knew nothing of socialist construction and development which was its main task from now on.[60] With the speeding up of collectivization in 1955-56 which meant a negation of the Soviet-inspired assumption that mechanization must precede collectivization, and the formulation of an alternative model of balanced and decentralized growth in Mao's speech "On The Ten Great Relationships", the CCP may be said to have begun to learn the task of socialist construction. After half a decade of acceptance of the Soviet model, the Chinese leaders

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60. Mao Tse-tung, Selected Works, vol.IV, p. 363-4.

recognized that unlike the Soviet Union with its high manland ratio, China could not allow agricultural production to stagnate, and that in a country as big and undeveloped as China a certain amount of decentralization was required.

The GLF which evolved out of the decentralization movement and the mass water conservancy campaigns of 1957 was the extension of these measures to every aspect of rural life. Decentralization and a massive mobilization of all rural resources were expected to increase production sharply. This strategy did not deviate from the Soviet model insofar as the disproportionable investment in heavy industry was continued. But to the extent it permitted decentralization and measures were taken to increase agricultural production by labour-intensive means, it was original. The Great Leap failed not because the CCP was wrong in its conclusion that in applying the Soviet model to China it must be modified along these lines. Its failure was due to the inability of the Party to convert the new strategy "into an operational ideology based on a compromise between the Party's goals and its available means".[61]

A kind of one-sidedness and blind fervour gripped the whole Party in implementing the new strategy. As Mao himself remarked before the Wuhan conference of December 1958:

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61. Byung-Joon Ahn, "Adjustments in the Great Leap Forward and Their Ideological Legacy", in Chalmers Johnson (ed.), Ideology and Politics in Contemporary China (Seattle and London: University of Washington Press, 1973), p. 257.

> I made a mistake at Pei-tai-ho conference. Concentrating on the 10.5 million tons of steel, the people's commune and the bombardment of Quemoy, I did not think of other things. The Pei-tai-ho conference resolution must now be revised. I was enthusiastic at that time, and failed to combine revolutionary fervor and the practical spirit. (62)

Thus, Mao and the CCP learnt that the strategy of simultaneous development - of revolution and production, agriculture and industry, local industry and central industry - cannot work overnight. Problems such as inter-sectoral balance, efficient management and allocation of resources, and the effects of free supply and large production units on work incentives had to be taken into consideration. Here also, Mao was forthright in his self-criticism. In a speech in February 1959 he said:

> In regard to the problem of planned and proportionate development of the national economy, I am not very clear, and study is required .... Naturally we have defects and mistakes. Tackling one side and overlooking another, causing waste in labour, the tense situation of supplementary foods, the still unsolved light industrial raw material problem (diversified operations), the lack of adjustment in transportation, undertaking too many projects in capital construction-all these are our defects and errors. Like a child playing with fire, without experience knowing pain only after getting burnt, In economic construction, like a child without experience, we declared war on the earth, unfamiliar with the strategy or tactics". (63)

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62. Mao Tse-tung, "Talks with Directors of Various Co-operative Areas" (November-December 1958), in Miscellany of Mao Tse-tung Thought (1949-1968) (Arlington: Joint Publications Research Service, 1974), p. 138.

63. Mao, "Speech at Conference of Provincial and Municipal Committee Secretaries" (2 February 1959), ibid., p. 156-7.

Thus Mao's self-criticism was comprehensive and in the best tradition of inner-party rectification. But the failure of the Great Leap and the economic crisis of 1960-62 had jolted the Party to such an extent that leading members came out in favour of what Mao considered to be a 'roll-back' to private farming. Mao agreed that the Great Leap and the commune system must be "readjusted", and that the final break with the Stalinist model by pouring greater investment into agriculture must also be made. But he disagreed with those in the Party to whom "taking agriculture as the foundation" meant not only a larger investment in agriculture, but also a certain measure of relaxation of collective organization of the countryside.[64]

These opponents of Mao - Liu Shao Ch'i, Teng Hsiao-p'ing, T'an Chen-lin and Ch'en Yun among others - were not only demanding more investment in agriculture as an economic sector, but that full freedom must be given to private initiative and efficiency, profitability and productivity must be the sole criteria for judging the success of any undertaking. Thus, Liu revived his thesis of 1956: "During the transitional period we may employ every possible means that contributes to the mobilization of the productive enthusiasm of the peasants. We should not say that such and such a means is the best and only one".[65] In July 1962, Teng Hsiao-p'ing

64. See Benjamin Schwartz, "China's Developmental Experience 1949-72" in Michel Oksenberg (ed.), China's Developmental Experience (New York: Frederick A. Praeger, 1973), p.24.

65. Cited in Ahn, n.61, p. 288.

made his notorious statement: "So long as it raises output 'going alone' is permissable. Whether cats are white or black, so long as they can catch mice, they are all good cats".[66]

This spirit of amoral instrumentalism, with its stress on "production in command" and expertize, permeated the thinking of the Party organization. It came out firmly in support of the material interests of various social groups and favoured working with privileged groups. The Party hoped that by appealing to individual self-interest the economic problems could be solved and loyalty to the Party maintained. (This theme runs through the whole of Liu Shao-Chi's book "On How to be a Good Communist" which was republished in 1962). Within the Marxist framework it was argued that there were limits imposed on human effort by the objective forces of production and production must be developed as a precondition for changes in social and economic conditions.[67] Consolidation rather than revolutionary change thus became the dominant concern of the Party organization.[68]

Mao, in contrast, considered the return of material incentives as a temporary and expedient measure. He wanted a strict supervision of the private sector to check class polarization in the countryside and the "spontaneous tendency toward capitalism among some small producers". He believed

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66. Ibid.

67. See Tang Tsou, "The Cultural Revolution and the Chinese Political System", The China Quarterly, no.38 (April-June 1969), p.66.

68. Ibid.

that a relentless campaign of "socialist education" would raise the consciousness of the peasantry and eventually the more communistic features of the 1958 commune could be re-introduced. For him, the first lesson to be learnt from the Great Leap was that it would take decades to accomplish the transition to communism.[69] And the second lesson (which seems to have become his prime concern in 1962 when the exponents of liberalization and a 'roll-back' became more vocal and the ideological controversy with the Soviet Union was becoming sharper) was that without the practice of class struggle under the dictatorship of the proletariat, the CCP will become a "revisionist Party" and there will be a "capitalist restoration" in China. This possibility of ideological regression was for him not only related to the questions of a thriving private sector and "small producer mentality" in the countryside and the Party organization's stress on efficiency and production : it was also related to the indifference many of his colleagues seemed to show about the long term effects of these on the "redness" of China. Even the old cadres needed to be "remoulded".

Mao was not satisfied with straight-forward economic development in which statistical targets are set and then the organization tries to realize them as efficiently as possible. No doubt this would lead to rapid economic growth and the standard of living of many sections of the population would

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69. See Mao, "Talk at an Enlarged Work Conference", in Schram (ed.), Mao Tse-tung Unrehearsed ....., n.59, p. 175.

improve. But, for Mao, such progress had serious defects for it would aggravate rather than narrow the social and economic differences in Chinese society. These differences, Mao summed up as the contradictions between city and country, worker and peasant, mental and manual labour. The entire thrust of Mao's dialectical conception of social, political and economic development is that each policy choice must be considered as interrelated to its opposite and a unified vision of the whole must be retained even when a single aspect of reality is being tackled. Only then can an awareness of the overall goals be retained and unified social, economic, and political progress rather than blind modernization take place. In other words, Mao was for 'political economy' not mere 'economics'.[70]

From the Wan-sui documents which became available from Red Guard sources during the Cultural Revolution, we know that ever since 1956 (the year of the 20th Congress of the CPSU) Mao had engrossed himself in studying the political economy of the Soviet Union. The launching of the "Hundred Flowers" Movement and the recognition of contradictions between the 'leaders' and the 'led' in a socialist state[71] in 1957 were attempts to solve the ideological and political crisis

70. The best discussions of Mao's economic theories and his dialectical conception of progress are in Franz Schurmann, Ideology and Organization in Communist China (Berkeley, Los-Angels, London: University of California Press, 1970), pp.73-103; Gray, n.59, pp.109-159; and Richard Levy, "New Light on Mao: His Views on the Soviet Union's Political Economy" The China Quarterly, no.61 (March 1975), pp.95-117.

71. In the speech "On the Correct Handling of Contradictions Among the People", (Peking: Foreign Languages Press, 1957).

in the communist movement as a result of Khruschev's attack on Stalin.[72] But perhaps more significant than this were Mao's utterances and written comments circulated in Party circles on various Russian economics textbooks and Stalin's book entitled "Economic Problems of Socialism in the Soviet Union". These show that Mao considered the Soviet mistakes not merely political or the result of a defective Party work-style; he considered the root of Soviet mistakes to be the failure of Stalin and the CPSU to fully understand to 'objective law' of socialist construction.[73] Thus, in November 1958, he said:

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72. See Roderick MacFarquhar, The Origins of the Cultural Revolution: Contradictions Among the People, 1956-1957, (London: Oxford University Press, 1974), pp. 169-250.

73. Mao, "Speech On the Book 'Economic Problems of Socialism'" (November 1958), n.62, p. 129.
For a discussion of Mao's economic theories as revealed in the Wan-sui documents and particularly the documents which directly comment on the Soviet political economy, see Richard Levy, n.70.1 Levy has argued that these documents show that the key element in Mao's economic thought "has been the emergence of a clear working concept of the political-economic stages of socialist development" or what he calls Mao's "timing theory" of economic development or policy formation. Thus, according to Levy, Mao's disenchantment with Soviet political economy is based on (1) the CPSU's neglect of the superstructure; (2) failure to distinguish between levels of ownership and stages of development, and the failure to understand the need for constantly preparing to move on to a new stage before the current stage has been "fully consolidated" (that is they do not understand uninterrupted revolution); and (3) a non-dialectical method of research which leads them to "wrong" conclusions. Levy concludes that the evidence of the Wan-sui documents "supports the hypothesis that the 'timing theory' of economic policy formation can better explain Mao's political-economic policies, his disagreements both with the Soviets and with comrades at home, and the origins of the Cultural Revolution, than can concepts of power, or ideological legitimization of cultural factors, and psychological factors alone."
I fully agree with Levy's views on this subject.

> On the issues of heavy industry, light industry, and agriculture, and the Soviet Union did not stress light industry and agriculture, and suffered as a result. Furthermore, the people's current and long-range interests were not well coordinated. Mainly it was walking on one leg .... Stalin only stressed technology and technical cadres. He stressed cadres, but ignored politics and the masses. This also was walking on one leg. In industry he stressed heavy industry, but not light industry. This was also walking on one leg. (74)

The opening lines of the remarkable document "Critique of Stalin's 'Economic Problems of Socialism in the Soviet Union'" (1959) have the character of a new testament, the pride of having made an epochal discovery. He says: "This book by Stalin has not a word on the superstructure from the beginning to the end. It never touches upon man. We read of things but not man".[75]

Thus we can say that when Mao retreated from the frontline of the CCP in 1958, his faith in simple moral force and large scale organization as a means to increase production may have been shaken. But he continued to believe that the fundamental aim of a Communist Party which was truly Marxist-Leninist was to change man and not just raise production. And the key to this change, for him, was the continuous practice of dialectics in which "dreams and toil" went together, and the ferment and "socialist education" generated by class struggle kept the motor of revolution and development going by producing "revolutionary successors". All this, Mao

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74. Ibid.

75. Mao, "Critique of Stalin's 'Economic Problems of Socialism in the Soviet Union'" (1959), n.62, p. 191.

believed, the CPSU had failed to do as its "social basis" had changed and it had, therefore, become a "revisionist Party".[76]

When Mao contemplated the liberal reforms in post-Leap period; the manner in which the peasants were being encouraged to "to it alone" in agricultural production, marketing and land reclamation; and the increasing tendency towards bureaucratism and the ethos of amoral instrumentalism and putting "production in command" in the CCP; he came to the conclusion that the virus of "modern revisionism" which had been flourishing in the Soviet Union had begun to infect the Chinese Party and State also.[77] And, for Mao, "revisionism" was the first step on the road to a possible "capitalist restoration". What seemed to him at stake now was not just the correct mix between private and collective features of the rural economy and centralization and decentralization in economic management and development, but the more fundamental issue which subsumed these problems - the preservation of the Party's revolutionary ethos and the warding off of a

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76. Mao, "Speech at the Ninth Plenum of the Eighth Central Committee", (18 January 1961), n.62, p. 241. This was, of course, a secret inner-Party speech and Mao's full critique of the "embourgeoisement" of the CPSU and Soviet Society was publicly unfolded only in 1963-64 in the "Nine Comments" on the CPSU's "Open Letter". All these documents are reproduced in Peking Review, 1963-64.

77. This metaphor of "modern revisionism" as a disease has been used in Chinese as well as non-Chinese writing. See for example, Richard Baum, Prelude to Revolution: Mao, the Party and the Peasant Question, 1962-1966 (New York, London: Columbia University Press, 1975), p.1-23.

"capitalist restoration". His prescription for this problem was to launch a Socialist Education Movement (SEM) with the aim of reversing the permissive tendencies which had entered Party decision-making and policies and restoring the revolutionary elan of China's socialist revolution.

A comprehensive history of the four years-long SEM is beyond the scope of this dissertation. I shall only outline the main trends. Since the SEM was primarily a consciousness-raising campaign and slowly escalated into a conflict at the highest echelons of the Party on the utility of traditional Party rectification and mobilizational techniques such as the work teams, no major changes in economic strategy and rural organization occurred. In fact, the compromise arrived at the Tenth Plenum continued all through this period; viz., the 'agriculture first' strategy and the retention of the commune only as a unit of local administration with all powers vested in the production teams. There is no evidence to suggest that after Mao's veto of the san-tzu i-pao system, he ever sought to change this arrangement.

Mao's concern now was to change the attitudes of his countrymen, lest the retreat from the communism of the GLF became a retreat even from socialism as he understood it. The issues of centralization or decentralization of industry and agricultural machinery and the growth of a Soviet-type urban specialist-bureaucratic class were also simmering under the facade of Party unity at this time. But these we shall

study in the next chapter as in the period of the SEM, they were only feeding the other differences between Mao and the Party Organization under Liu, and came to occupy the forefront only in the Cultural Revolution.

In an unpublished speech at the Tenth Plenum Mao stressed the importance of heightening Party members' ideological vigilance:

> We must recognize the possibility of the restoration of the reactionary classes. It is necessary to heighten our vigilance as well as to educate the youth, the masses, the middle-level and basic-level cadres, and even the veteran cadres ..... From this moment on, we must talk about this every year, every month, every day; at conferences, at Party congresses, at plenary sessions, and at each meeting. (78)

Mao's concern had a firm basis in the conditions prevailing in rural China. The documents reportedly captured by the Chinese Nationalists during a commando raid on the Party headquarters of Lien-Chiang county, Fukien province, confirm this.[79] These documents discuss in detail the "unhealthy tendencies" that had arisen among basic-level cadres and commune members in the county during the "three hard years" of 1959-62 when the retreat from the GLF had been accompanied by a general relaxation of the Party's radical "socialist" "collectivist" agricultural policies. Such unhealthy tendencies fell into five categories:[80]

78. Cited by Baum, ibid., p.12.

79. These documents are available in C.S.Chen (ed.), Rural People's Communes in Lien-Chiang. (Stanford:Hoover Institution Press, 1967).

80. The following summary of the "unhealthy tendencies" is almost a verbatim account as given by Richard Baum, n.77. pp.12-13. I have consulted the Lien-Chiang documents but cannot improve on Baum's exposition.

(1) "spontaneous capitalist tendencies" on the part of the better-off peasants who preferred to "go it alone" by relying for income primarily on their private plots and family sideline occupations rather than the less lucrative collective undertakings; (2) the resurgence of feudal customs and practices such as religious festivals, money marriages and witchcraft; (3) a decline in morale of the cadres who found the burden of official work and tensions too much and thus expressed a desire not to serve; (4) the rise of corrupt practices among the rural cadres, the most serious form of corruption being misappropriation of public funds for private purposes; and (5) the increasing boldness and self-confidence of the so-called "five category elements" many of whom had taken advantage of the post-Leap difficulties to sabotage the collective economy, thereby eroding the enthusiasm of the peasants for socialism, and paving the way for a counter-revolutionary restoration in the countryside.

I shall quote from only one document as it presents as frank and revealing a picture of the situation in the rural areas as could be. This document identifies the following nine "principal problems that still exist":

> (1) Individual commune members keep good fertilizer for themselves and hand over to the brigade fertilizer containing water .....
>
> (2) Some do not go out to work after their quotas have been set, but surreptitiously attend to their own "small freedoms" and open up uncultivated land .....
>
> (3) Some work only because discipline requires them

to do so, but the efficiency of their work is not high ... They skimp on their work and waste time ....

(4) Some rely on state support and do not strive to stand on their own feet. They have delayed in repaying state assistance loans, have even gone so far as not to repay them, and have distributed state funds among the commune members .....

(5) The spirit of individual enterprise continues... Individual production teams ..... have discovered that even a small area of land given over to household contract production has bad effect; but they persist in household contract production....

(6) The felling of (collective) trees has continued, ... harming collective wealth and destroying collective forests.

(7) Some have abandoned farming for peddling and industry. Some persons engage in speculation.... Some who abandon farming for subsidiary industries let flocks of ducks and geese damage crops. Work of the labour force has been reduced through emigration.

(8) Some steal valuables such as farm tools, fertilizer, and materials that belong to the collective...

(9) We still have not suppressed the evil tendencies of capitalism, feudalism, and extravagance; as a result, we cannot manage collective prdduction effectively. (81)

To reverse this situation, Mao launched the SEM. Most of the techniques laid down in the "First Ten Points" (May 1963), which gave concrete direction to the movement, had been evolved in Yenan - study of relevant documents, discussion on the basis of "unity-criticism-unity", cadre participation in productive labour and the work team method. But Mao injected a new element into the SEM by calling for a full discussion among the masses by reactivating the long-dormant

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81. "Report on the Expanded Cadre Meeting of the Ch'ang-Sha Brigade", Chen, n.79, pp. 210-11.

lower and lower middle peasants' associations. The role of these associations was not clearly defined, but it was clear that they would be as important a part of the current rectification drive as the local Party Committees and the work teams dispatched from above. Besides exposure and rectification of the "four uncleans" (cadre corruption and mismanagement in areas of economic accounting, allocation and use of state and collective properties, management of collective granaries, and assessment of work points) the peasant associations were to assume a supervisory role in the day-to-day administrative work of the commune and production brigades.[82]

Mao revealed the importance he attached to this aspect of the movement in a speech in May 1963:

> This revolutionary movement is the first great struggle since land reforms. There has not been this sort of scope, breadth, or pervasiveness for several years ..... This kind of class struggle, involving all, both within the Party and outside the Party, has not been waged for over 10 years. This time it is from within the Party to outside the Party, from top to bottom, and from the cadres to the masses. (83)

In the same month in another speech he explained the "historical reason" for the SEM:

> After land reform we did not handle class struggle again. We handled for a while the 3-antis, the 5-antis, and the anti-rightist struggle of 1957, but we didn't use this sort of method. After 1932, the Soviet Union waged two purges in 1937 and 1938. Following these 16 years passed in

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82. See Baum, n.77, p. 24.

83. Mao, "Instruction on the 'Commune Education Movement'" (May 1963), n. 62, p. 314.

> which there was no class struggle. Their collectivization relied upon whom? If class struggle is not waged, the dictatorship of the proletariat has no reliable social foundation. (84)

Mao was thus advocating Party control of the movement; but at the same time he demanded broad participation by the masses in rectifying cadres and revitalizing the collective economy. He argued that only if such popular participation is allowed will class struggle take place, those opposing the collective economy will be overthrown, and the collectives will have a "reliable social foundation". The Party organization's response, however, as it had been during the "Hundred Flowers" campaign, was to resist rectification from below.[85] It agreed on the need to refurbish the rural collective economy and rectify "unclean" cadres but did not accept the methods advocated by Mao.

As the SEM unfolded in the summer of 1963, what Richard Baum has described as "goal displacement" and "bureaucratic obstructionism",[86] occurred. Most action initiated under the "First Ten Points" resulted not in "cleaning up" cadres but rationalization of existing economic accounting procedures in the rural areas. A large number of "campaign-weary, stability-seeking Party officials at all levels of the CCP

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84. Mao, "Speech at Hangchow Conference" (May 1963), n.62, p. 318.

85. See MacFarquhar, n.72, pp. 178-181.

86. Baum, no. 77, p. 36.

hierarchy sought to routinize the movement and minimize the disruptive effects of the rectification campaign;[87] and tried to divert the SEM from class struggle to production struggle.[88]

In the "Second Ten Points" (September 1963) penned by Teng Hsiao-p'ing, this phenomenon was tacitly acknowledged; it conceded that many leading cadres do not "investigate"; are lenient and perfunctory in exposing and criticizing the "four unclean" rural cadres; shirk manual labour; and do not conscientiously organize lower and lower middle peasant associations which "either exist in name only or are critically impure".[89] But the document was vague about the role of mass mobilization in the SEM and emphasized "due process" in handling cases of cadre corruption. Most of these cases were to be dealt with at higher levels instead of by the village population themselves. As the Red Guards were to put it, Teng's instructions "bound the masses hand and foot". It also recommended leniency towards affluent peasants who wish to "go it alone", and called for remoulding rather than punishing the "five category elements" - thus blunting the spearhead of class struggle.[90]

The "Second Ten Points", thus, continued to be in tune with the mood and motivations of rural cadres, and its effect on the SEM was to keep it at a low pitch and deflect it to production struggles.

87. Ibid., p. 8.

88. Ibid., p. 40.

89. Ibid., pp. 44-45.

90. Ibid., p. 58.

In June 1964, the Central Committee promulgated a directive governing the organization and functions of rural poor and lower middle peasants' associations.[91] In restrospect, this document reveals graphically the differences in the styles and thinking of Mao and the Party organization under Liu. These associations were given the right (and the duty) to concern themselves with virtually every aspect of the economic, administrative and political, education, and propaganda functions of the people's communes; but they were to be "organized and led by the Chinese Communist Party". As Baum has pointed out:

> The peasants' associations ... represented a tacit (if ultimately untenable) compromise between the Maoist and Liuist views on the role of peasant masses. For Mao as well as for Liu, the main question was how to control excesses of spontaneous capitalism and cadre malfeance in the villages. Their disagreement .... lay primarily on the issue of whether such control should be imposed from <u>below</u> (through all-out mobilization of the peasant masses) or from <u>above</u> (through reliance on the formal party apparatus". (92)

When Liu took direct charge of the SEM (on the basis of his wife Wang Kuang-mei's so-called "Tao-yuan experience") the campaign became a <u>de facto</u> purge of thousands of rural cadres by the work teams sent 'from above'. The "Revised

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91. <u>Ibid</u>., p. 78.

92. Ibid., p. 81. Most scholars are agreed on this point as one of the chief causes of the Mao-Liu hiatus. See, Lowell Dittmer, <u>Liu Shao-ch'i and the Chinese Cultural Revolution</u>, (Berkeley, Los Angels, London: University of California Press, 1974), pp. 173-214; Gray, n.59, pp. 151-154; Stuart R.Schram, "Mao Tse-tung and Liu Shao-ch'i, 1939-1969", <u>Asian Survey</u>, vol.XII, no.4 (April 1972), pp. 275-293; and Schurmann, n.70, pp.541-2.

Second Ten Points" (September 1964) authored by Liu stressed above all the problem of thoroughly exposing and rectifying the political, organizational, and economic impurities of basic level cadres. The earlier "small four uncleans" (petty economic corruption in the areas of accounts, granaries, properties and work points) were now replaced by the "big four uncleans" (major impurities in the political, organizational, and ideological, as well as economic behaviour of rural Party members and cadres).[93] Liu is reported to have said in August 1964: "What should first of all be solved in this movement is the contradiction between the four cleans and the four uncleans".[94] The "Big Four Clean-Ups" therefore, concentrated on resolving this contradiction : in the language of the Cultural Revolution, it unleashed the "attack on the many". Even the model Shengshih and Tachai Brigades were not spared.[95]

Mao intervened in December 1964. At a Central Committee working conference he sharply challenged the appropriateness of various policies promoted by Liu's "Revised Second Ten Points". Agreeing that graft and corruption were widespread in the countryside he questioned

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93. Baum, n.77, p. 95. See also Richard Baum, "Revolution and Reaction in the Chinese Countryside: The Socialist Education Movement in Cultural Revolutionary Perspective", The China Quarterly, no.38 (April-June), pp. 92-119.

94. Cited by Baum, ibid., p. 100.

95. Ibid., pp. 112-122.

the wisdom of insisting upon stern organizational discipline and financial restitution in all cases. Calling for leniency, he said, "On the question (of dealing with corrupt elements) I am somewhat on the right. There are so many ... that they might constitute 20 percent of the people ... How many would there be if 20 percent were marked out in a population of 700 million? I am afraid there would be a tide toward the left".[96]

Besides arguing for moderation with respect to the "four unclean" cadres, he rebuked Liu for his neglect of the overriding issue of class struggle between the proletariat and the bourgeoisie: "... the name of the movement", he said, "is the socialist education movement, not a four clean-up education movement, nor an educational movement on intertwining contradictions".[97]

He described the kind of mass democracy practiced by "some comrades" as insincere. "Though you repeat day after day that there must be democracy, there is no democracy; though you ask others to be democratic, you are not democratic yourselves".[98] He criticized the work teams also on the

96. Mao, "Highlights of Forum on Central Committee Work" (20 December 1964), n.62, p. 416.

97. Mao "Speech at Central Work Conference" (28 December, 1964), ibid., p. 429. On the reference in this passage to intertwining "contradictions", Baum gives the following explanation. This "refers to Liu's assertion, first made in August 1964, that implementation of Mao's instruction on class struggle was rendered difficult by the fact that the contradictions within the Party were closely intertwined with contradictions outside the Party, and that contradictions among the people were closely intertwined with contradictions with the enemy - thus making the drawing of firm class lines in the countryside difficult, if not impossible". Baum, n. 77, pp. 197-98.

98. Ibid., p. 430.

ground that they are "not all that clean".[99] He ridiculed the "human sea" tactics of sending thousands-strong work teams and secretly "striking roots" among the local population before launching the movement.[100] Insisting that these were wrong tactics and the only way in which the SEM would be successful was if the masses were involved, he declared: "Now that you have founded a party, entered cities, and become bureaucrats, you are no longer adept at launching mass movements".[101] He went on to argue that the spearhead of the SEM is not against basic-level cadres ; dividing four unclean cadres into "wolves" (i.e., Party powerholders) and "foxes" (i.e., ordinary cadres), he said,: "The crucial problem is Party rectification ... The problem is to catch the wolves first and the foxes later. It will be impossible if we don't start with the powerholders".[102]

Mao saw no point in terrorizing the village leadership as terror in itself could not provide a permanent improvement of the village leadership. His solution was to put real power in the hands of the citizens who were the victims of cadre tyranny. For him, the situation in the countryside was a consequence of collusion between those elements who have an interest in restoring capitalism and Party members in authority at all levels, and it included the shielding of

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99. Ibid.

100. Mao, "Talk on the Four Clean-Ups Movement" (3 January 1965), n.62, pp. 437-38, 441.

101. Ibid., p. 441.

102. Mao, "Highlights of Forum on C entral Committee Work", n. 62, pp. 412-418.

members of lower ranks by those of higher rank.[103] This thesis permeates the "Twenty-three Points" (January 1965) drafted by Mao, which was to supercede the earlier instructions on the SEM. It stated explicitly that: "The keypoint of this movement is to rectify those powerholders within the Party who take the capitalist road".[104]

Liu's thesis of the contradiction between "four cleans" and "four uncleans" was also repudiated. The "Twenty-Three Points" stressed that:

> The contradiction between the four cleans and the four uncleans.... does not clarify the fundamental nature of the socialist education movement ... If we take a literal point of view, the so-called (contradiction between the) four clean and four uncleans could be applied to any society in past history .... since (this) approach does not explain the nature of today's contradictions, (it) is not a Marxist-Leninist way of looking at things. (105)

The "Marxist-Leninist" view the "Twenty-Three Points" advocated was to comprehend the class nature of the contradictions in Chinese society, and the work teams were accordingly instructed to allow the masses to supervise them. Instead of "attacking the many", the cadl was given to "pay close attention to uniting more than 95 percent of our people and 95 percent of our cadres".[106]

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103. See Gray, n. 59, p. 153.

104. Baum, n.77, p. 128.

105. Ibid., p. 127.

106. Ibid., p. 131.

But with the promulgation of the "Twenty-Three Points" the differences between Mao and the Party organization seem to have reached the point of no return. No purge of middle and central leaders took place.[107] In fact, Mao seems to have lost control over the Party, and during 1965 he put the People's Liberation Army at the forefront of the SEM. In the end of 1965 an open-door rectification by basic-level cadres and peasants of leading Party cadres at the hsien level was carried out. But it seems to have been manipulated by the Party organization to minimize its effects on itself.[108] Now, Mao's attention moved to the cities and the Party Centre ; four years of the SEM had convinced him that Party rectification was too important to be left to the Party itself. It had failed to respond to the challenge of continuing class struggle under the dictatorship of the proletariat and thus become ideologically impure. In the Cultural Revolution, he therefore unleashed the masses on the Party in order to "unmask" the "bourgeois powerholders" who had in his eyes irrevocally implicated themselves by their "un-Marxist-Leninist" behaviour during the SEM. The SEM was now supplanted by an even wider struggle, the Great Proletarian Cultural Revolution.

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107. Ibid., p. 139.

108. Ibid., p. 144-45.

Chapter IV

THE CULTURAL REVOLUTION IN THE COUNTRYSIDE

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THE CULTURAL REVOLUTION IN THE COUNTRYSIDE

The turbulence of the Great Proletarian Cultural Revolution (GPCR) was mostly confined to the cities and was a struggle for supreme power in China. But it was also a struggle which had deep roots in economic issues and had profound implications for the rural economy and China's developmental strategy as a whole.

This chapter will discuss the GPCR in relation to the countryside with respect to three specific areas: (1) what was being repudiated as "revisionist" in agriculture and agriculture-related policies, i.e., what were the "two lines and two roads" in the countryside; (2) the impact of the GPCR on rural leadership, political life and production activities; and (3) the changes made in rural organization and services as a result of the GPCR.

In the first section I shall describe the "two lines" in the countryside and examine the implications of the different strategies they embodied for the peasantry and the rural economy. The second section will be devoted to the impact of the call to overthrow "bourgeois powerholders" and the effect this had on rural leadership and agricultural production. The final section will briefly describe the cluster of Maoist reforms which were introduced in 1968-69,

principally in the form of ruralizing services such as health and education and further promotion of local industry. In the conclusions which follow this chapter, I shall discuss the implications - positive and negative - of these reforms for the Chinese countryside and China's developmental strategy as a whole, and examine some of the problems which the implementation of the Maoist economic model (which has a strong orientation toward the rural areas and stresses distributive justice and local self-reliance) has created, and how the Chinese are coping with these problems.

A. The "Two Roads" in the Countryside

The GPCR was a "revolution" carried out under the dictatorship of the proletariat. At the most general level, Mao was attempting to replace the traditional Marxist theory of classes by a new theory which was applicable to social relations in a socialist society.[1] While the struggle against the "old classes" continued in a socialist state, Mao saw a greater threat in the emergence of newly privileged groups who owe their existence to a socialist revolution but then begin to behave in an elitist or bourgeois manner. These groups - at all levels of the CCP - advocate policies which undermine the kind of socialism that Mao and his allies envisage.[2] In January 1962 Mao had stated:

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1. See Richard Curt Kraus, "Class Conflict and the Vocabulary of Social Analysis in China", The China Quarterly no. 69 (March 1977), pp. 54-74.

2. Ibid., p. 62.

> In our country, the system of exploitation of man by man has been eliminated, and the economic foundation for the reactionary classes are now not as terrible as they were before. For this reason, we describe them as remnants of reactionary classes. We must, nevertheless never ignore these remnants but continue to wage a struggle against them. In a socialist society, meanwhile, new elements of the bourgeoisie may emerge. Class and class struggle remain during the entire period of socialism. This class struggle is protracted, complex and sometimes violent. (3)

In the course of the Socialist Education Movement, Mao came to identify these "new elements of the bourgeoisie" as a section of the Party bureaucracy. Mao's old aversion to bureaucracy thus became linked to the concept of class struggle in a socialist state. For Mao, the existence of a leadership of pure class origins is no guarantee for the development of socialism in China because these leaders can serve classes other than those of their origin. Thus the old class analysis based on a calculus of property was for Mao an inadequate basis for the further growth of socialism. Indeed it could only stunt the growth of socialism in China as it did not recognize the new contradictions in Chinese society.[4] Mao, therefore, sought to replace it by a new theory which acknowledges the rise of new privileged groups which have emerged during the period of socialist construction and whose interests are different from those of the masses of China. He called these new priviledged groups a

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3. Mao Tse-tung, "Democratic Centralism" (30 January 1962), in Chairman Mao's Selected Writings, translated in Joint Publications Research Service, 50792, (23 June 1970), pp. 45-46.

4. Kraus, n. 1, p. 74.

bourgeoisie since he believed that such persons can bring about the restoration of capitalism in China.[5]

To sum up, Mao's new theory identified classes not by their role in the economic base of society but in the superstructure. "This change of emphasis focuses attention not upon economic relations, but upon political stance, upon behaviour which aids or deters the building of socialism in China".[6] This means that a struggle between "two lines and two roads" (the bourgeois and the proletarian) continues in the entire period of socialism both in the behaviour of individuals and in the leadership of the Communist Party itself. As a People's Daily editorial of February 26 1971 puts it: "Line struggle is the reflection within the Party of the class struggle in society. So long as classes, class contradictions and class struggle exist in society, there must be the struggle between two lines within the Party".[7]

In the GPCR, it was claimed that this two-line struggle had always existed in the history of the CCP. Certainly, the different experiences of those in the war bases in the countryside and those in the urban "white areas" during the pre-Liberation period is one factor which created different perceptions about the peasantry and its role in economic

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5. Ibid., p. 64.

6. Ibid., p. 65.

7. "In Branch Construction One Must Grasp Line Education" People's Daily, 26 February 1971. Cited by Kraus, ibid., p. 65.

development.[8] The former group, which may be identified with Mao Tse-tung, developed their ideas in Yenan in close contact with the peasantry and rural economic conditions. And the latter group, which can be identified with Liu Shao-ch'i, leaned heavily on organizational discipline, and came to give high priority to professional and specialised skills and the example of the Soviet Union. After 1949, Mao's group continued to stress the importance of "red and expert" leaders, active participation by the masses, and self-reliance and improvization by the rural masses in order to grow into independent and vigorous localities. Liu's group, in contrast, particularly after the Great Leap, began to show a strong predilection for organizational discipline, orderly and pragmatic planning, material incentives, and above all the guiding role of industry and the cities in economic development. Two instances of these divergent outlooks producing differences between Mao and Liu prior to the GLF are Liu's support for the thesis that mechanization must precede collectivization, and Mao's efforts in the "Hundred Flowers" movement to downgrade the Party organization vis-a-vis the masses which was in contrast to Liu's desire to downgrade the leader vis-a-vis the Party elite.[9]

8. See, for example, Lowell Dittmer, Liu Shao-Ch'i and the Chinese Cultural Revolution (Berkeley: University of California Press, 1974), pp. 14-30.; Stuart R. Schram, "Mao Tse-tung and Liu Shao-chi'i, 1939-69" Asian Survey vol. XII no.4 (April 1972), pp. 275-293; and Jack Gray "The Two Roads: Alternative Strategies of Social Change and Economic Growth in China" in Stuart R.Schram (ed.) Authority, Participation and Cultural Change in China (Cambridge: Cambridge University Press, 1973), pp. 122-127.
9. See Schram, n.8, p. 284.

The previous chapter has already dwelt at length on the question of Mao-Liu differences with regard to Party rectification (whether it should be carried out from above or from below) in the post-Leap period, and we have also discussed Liu's espousal of the san-tzu i-pao system (involving a further stress on material incentives, and a greater role for the family as a production unit) and Mao's veto of it. Let us now turn our attention to their differences over other issues which are directly related to the economic strategy in the countryside which surfaced between 1960 and 1966 and which are at the core of the Cultural Revolution's repudiation of "China's Khruschev".

Here, it must be pointed out that a lot of the allegations made against Liu are of a polemical nature and tend to exaggerate and distort his position by quoting his statements out of context. Nevertheless, most scholars agree that there were indeed substantial differences between the strategies of Mao and Liu. Since the failure of the GLF, these old "comrades-in-arms" had come to advocate developmental strategies for China which can justifiably described as two different "lines" and two different "roads". In relation to the countryside these differences boil down to whether there should be centralized control, financing and direction of agricultural mechanization and services (such as health and education); or should there be decentralization in the

control, financing and creation of these.[10] The former "line" would entail more power for the skilled bureaucrats, greater urbanization, and comparatively less, slower and uneven rural development. The latter "line", on the other hand, entailed a broader and more equitable diffusion of skills and decision-making power among the rural masses, and would induce the villages as far as possible to create industry for themselves and in close relation to their own needs.

The main "two line" struggles in the countryside may be identified as the struggles between Maoist and non-Maoist or Liuist policies with respect to five areas: (1) agricultural mechanization, (2) labour policy and incentives, (3) commercial practices, (4) rural health, and (5) education.

(1) Agricultural Mechanization

One of the chief allegations against Liu Shao-ch'i was that he tried to subvert Mao's line on agricultural

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10. For a typical formulation of this dichotomy which occurs with regard to farm mechanization but is applicable to almost every aspect of the "two line" struggle, see "The P'eng Chen Counter-revolutionary Revisionist Clique's Crime is Most Heinous", in Selections from China Mainland Magazines (hereafter SCMM), (15 January 1968), no. 610, pp. 5-9.
This article states: "Whether proletarian politics or money should be put in command, whether the ideological revolutionization of man or material incentives should be called for, whether we should boldly arouse the masses and depend on the strength of the collective and our own effort or advocate state monopoly - these are the phases of political lines which are directly antagonistic in the promotion of agricultural mechanization".

mechanization.[11] As we have seen in chapter I, the Soviet-inspired assumption that collectivization must be preceded by mechanization (a policy which Liu also favoured) was given up by the CCP in the mid-50's. The new approach, which was essentially a Maoist one, was that mechanization need not take the form of immediate acquisition of large tractors for cultivation. A more gradual process of "farm tool renovation", i.e., guiding the collectives to develop an intermediate technilogy from their own resources, was more appropriate to China's needs.

Jack Gray has summarized the advantages of this approach in the following manner:

> It can be paid for out of local savings, with the gains from each stage paying for the next stage. It involves a gradual education in the use of new tools in step with the increasing sophistication of successively acquired machines ..... if

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11. The Chinese magazine Nung-yeh Chi-hsieh chi-shu (Agricultural Machine Technique) published a number of articles on the "two lines" in farm mechanization during the GPCR. The most important of these are: "The P'eng Chen Counter-revolutionary Revisionist Clique's Crime is Most Heinous", n .10, pp. 5-9; "Wipe out State Monopoly and Promote Mechanization on the Basis of Self-Reliance in a Big Way", SCMM no. 610, (15 January 1968), pp. 10-16; "Completely Settle the Heinous Crimes of China's Khruschev and Company in Undermining Agricultural Mechanization", SCMM, no.610, (15 January 1968), pp. 17-32. "T'an Chen-Lin's Crime of Sabotage Against Farm Mechanization Must be Reckoned With", SCMM no. 624, (27 August 1968), pp. 1-7. "Six Hundred Million Peasants are the Masters of the Cause of Farm Mechanization", SCMM, no. 628, (23 September 1968), pp. 35-39; "History of Struggle Between the Two Lines (on China's Farm Machinery Front)" SCMM no. 633, (4 November 1968), pp. 1-34; and "It Is Good for Tractors to Revert to Chairman Mao's Revolutionary Line", SCMM (3 February 1969), no. 643, pp. 17-25.

> this gradualist approach is in the hands of the local community, the acquisition of labour-saving devices need not increase the surplus of labour, but can be phased in response to the increased demand for labour which the increased productivity of the machines themselves can and should create. Finally, by contributing to the possibility of local processing of crops and by engineering experience which it involves, a degree of mechanization of agriculture can contribute to the natural foundation of the industrialization of the countryside - the local processing of crops and the repair and manufacture of farm tools. (12)

These were the main policies embodied in Mao's "Opinions Concerning Agricultural Mechanization"[13] which he presented at the Chengtu Conference in 1958, and were implemented (albeit in a lop-sided manner) in the GLF. The tractor stations were broken up and the tractors distributed to the communes. Local committees of technicians, skilled workers and peasants were set up to experiment in the improvement of tools and in small-scale semi-mechanization as a part of the drive to develop local industry. But serious problems of maintenance developed because communes basically lacked to technical capability to operate and maintain tractors efficiently, and this policy of decentralized control over the tractors had to be reversed with the retreat from the GLF and reduction in the size and power of the communes in 1960 and 1961.[14] By the time of the Tenth Plenum

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12. Gray, n.8, p. 140.

13. See "History of the Struggle Between the Two Lines....", n.11, p. 14.

14. See Benedict Stavis, Making Green Revolution: The Politics of Agricultural Development in China (Ithaca: Cornell University, 1974), p. 190.

the centralized Agricultural Machinery Station system was reestablished. Under this system state agencies owned machinery and hired out services to the collective production units (i.e., production teams). State employees were responsible for maintenance and utilization of tractors and strict standards and procedures were laid down for this purpose.[15]

The machines were thus brought back into operation and were efficiently maintained; but ironically, central control of the tractors made their efficient integration with the agricultural production process difficult.[16] For instance, many tractor operators did not plough deep enough in order to conserve fuel because the central authorities gauged the success of a tractor station primarily according to acreage ploughed per tractor per unit of fuel and according to its profitability.[17]

Delays in providing ploughing services were also frequent.[18] This was partly due to the inadequate number of machines, skilled operators and spare parts. But, a more serious reason for this was that tractor stations demanded orders for ploughing in the beginning of the agricultural season. By the time the station received all its orders and planned the most time and fuel saving routes, production teams might decide that it was too late and use animals to

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15. Ibid.

16. Ibid., p. 191.

17. "It is Good for Tractors ....", n.11, p. 22.

18. Stavis, n.14, pp. 191-192.

plough the land instead: in agriculture, timeliness is of the utmost importance.[19] Also the production teams were required to pay in advance. Many teams were either too poor to do so, or simply too far from the tractor station and therefore since more fuel was required to reach them they could not afford its services.[20] Finally, corruption was another type of problem. Many operators used the demand on their services to bribe the production team. Some commune members composed a song:

> If there is food but no wine, the tractor does not move
> If there is wine and no food, the tractor runs out of order
> If there are both wine and food, the tractor flies. (21)

Liu's support for state supervision of agricultural machinery and centralized tractor stations was based on three advantages: (1) they provided for superior facilities and personnel (i.e., university graduates and college technicians who would train the peasants in the use of machinery and modern agricultural techniques); (2) higher efficiency in machine utilization (because one station could service many communes whereas decentralized ownership would lead to lower utilization and more rapid deterioration of equipment as the communes lacked the requisite skills); and (3) greater financial resources (enabling the tractor stations to promote

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19. "It is good for Tractors...", n.11, p. 19.

20. Ibid., p.18. Similar problems are described in "The P'eng Chen Counter-revolutionary ...", n.10, p.8.

21. "It is good for Tractors...", n.11, p. 22.

mechanization in more areas since very few communes were able to buy machines).[22]

But as we have seen above, notwithstanding these advantages, centralized tractor stations created other problems. These problems meant neglect of poorer production units and a failure to integrate state-owned machines fully and efficiently into agricultural production: machine utilization was enhanced, but this is negated by the difficulty of coordinating the activities of the station with the production plans of the communes. One solution to these problems which according to the Red Guards was first proposed by Liu in 1960, was to centralize even further the management of agricultural machinery through the creation of a monopolistic "trust" which owned and managed all agricultural machinery.[23] Such a trust was to operate autonomously, free in its day-to-day administration from central as well as local interference for the sole purpose of maximizing profits. Such super-monopolies were to be created for manufacturing and distributing a whole range of industrial products throughout China.[24]

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22. See Dittmer, n.8, p. 247. The similarities between Liu's views on this and the principles on which the Soviet Agricultural Machinery Station system is based are obvious.

23. "T'an Chen-Lin's Crime of Sabotage...", n.11, p.6.

24. See "The Reactionary Nature of China's Khruschev in Promoting the Trust", SCMM no.613 (February 5, 1968), pp. 20-23. Most of the articles dealing with agricultural machanization cited in note 11 also refer to the trusts.

Nothing could have been more opposed to the Maoist programme of agricultural mechanization. For the Maoists were not interested in efficiency and profitability for their own sake. The Liuist policy meant giving up to advantages of developing intermediate technology and the diffusion of technical skills this would bring about. It also meant that there would be no dispersal of industry, whereas Maoists valued this both because it narrowed the gap between country and city and for reasons of military strategy.[25]

Liu also sponsored the introduction of a state-organized farm mechanization programme in "a hundred key hsien", arguing that "we must equip whole hsien one by one and not equip them on a piecemeal basis".[26] In five years, he argued, the peasants trained in handling sophisticated agricultural machinery in these selected hsien would be sent to other hsien and they could train the peasants there. When the returns of the large state investment made in the "key hsien" is "recalled ten years later the state can use it to equip another area".[27] The Maoist objection to this was that if such a programme is carried out, it would take a

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25. On the subject of the advantages of a dispersed industrial potential in the case of war, see, "The Conflict Between Mao Tse-tung and Liu Shao-ch'i Over Agricultural Mechanization in Communist China" Current Scene, vol.VI, no. 17 (October 1 1968), p.14; and "Peking's Program to Move Human and Material Resources to the Countryside", Current Scene, vol.VII, no.18 (September 15 1969), p.5.

26. Cited by Dittmer, n.8, p. 248.

27. Ibid.

long time before all 2,000 hsien were mechanized, and the sequence would entail uneven development, giving "key hsien" a head start in capital accumulation.[28]

Finally, the Liuist policies of agricultural mechanization even if they were implemented according to the "hundred key hsien" formula and not given the extreme form of creating a monopolistic trust, implied greater social differences. The high level of technical expertize required by large tractor stations meant that they would be staffed by university graduates who mostly came from urban areas and more often than not were the children of the former bourgeoisie. Thus a "dual education" system - one on Mao's Yenan "part-labour and part-study" lines and another giving high-level specialized training to the intelligent minority - would accompany such a policy of agricultural mechanization.[29] Rather than learning by themselves with the help of experts, the rural masses of China would be forced to learn from a highly paid distinct urbanized privileged group. To quote Jack Gray: "In rejecting Mao's road to mechanization, his opponents were rejecting the whole of his economic strategy. Indeed, they were rejecting more than this. Mao's economic strategy was a particular application of more general ideas concerning social change, its motivations and its preconditions."[30]

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28. Ibid.

29. See Gray, n.8, p. 146.

30. Ibid.

(2) Incentives and labour policy

In the previous chapter we have seen how in the aftermath of the Great Leap, a strong lobby in the highest echelons of the CCP wished to give fuller play to individual initiative by relaxing the collective system and other controls on private enterprise. The san-zzu-i-pao system - extension of plots for private use, the rural free market, increase of small enterprises responsible for their own profits and losses, and the fixing of output quotas based on the individual household - was rejected at the Tenth Plenum. In the "three hard years", this system was tolerated by the Party and the rural cadres, and it seems to have prevailed on a fairly wide scale. But at Mao's inistence, the Tenth Plenum decided to reverse this trend and re-collective agriculture in order to mobilize resources for the "four transformations". And the SEM was an attempt to root out these lingering "spontaneous tendencies towards capitalism".

But while this tendency had been checked and the collective economy restored, the Party organization under Liu continued to stress material incentives and the creation of a labour "market" that regulates itself by trading skills for commodities. Within the reduced unit of accountability (i.e., the production team) an incentive system was devised which distributed rewards on the basis of a graduated scale geared to the utility of the output and the precise measurement

of labour input.[31] The Maoists described this system on putting "work points in command".

This was an apt label, because under this system production teams assigned work point values to various agricultural tasks in accordance with the difficulty of the task and the skill required to complete it. Basically, this method followed the socialist maxim of "to each according to his labour", taking into account such factors as strength and skill. These piece-work rates were generally assessed in production team meetings, and the work was assigned either to an individual (in which case he collected all the work points) or to a group of peasants (in which case work points were distributed according to each individual's contribution). In general, cadres relied on experienced peasants to judge the relative difficulty of various tasks.[32]

This system was extremely complex in its operation. The administrative tasks of setting quotas of various types, checking on fulfillment of the work, and calculating and recording the work points earned by each member was a heavy burden not only on the work point recorder, but on all the team cadres.[33] Thus, cadres could devote less time to labour

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31. For a discussion of this, see Martin King Whyte, "The Tachai Brigade and Incentives for the Peasant", Current Scene, vol. XII, no.16 (August 15 1969).

32. Ibid., p. 2.

33. Ibid., p. 3.

and production inspection. Also, the peasants tried to finish their task as quickly as possible, irrespective of the quality of the work. Since the cadres were already heavily burdened with other duties they could not keep a check on this. And if they tried to inspect the work done conscientiously, this led to resentment among team members.[34] Moreover, not only did this system strain cadre-peasant relations, it also encouraged peasants to be concerned mainly with their own work points rather than with the success of team production or the development of local political activities and studies.[35] Peasants also tried to pressurise, and even bribe, cadres in order to get jobs which would result in high work point totals for them.[36]

All these features of the piece-rate work point system tended to produce a highly differentiated wage scale in the communes. The justification for this was that since the rewards were based on labour rather than property or exploitation of another's labour it was legitimate.[37] And as the rewards were proportionate to the input of labour and skills, the peasants considered the system as essentially fair and tried to work more in order to earn more. As to the abuses of the system - such as low quality of work and cadre

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34. Ibid.

35. Ibid.

36. Ibid.

37. See "Settle the Crimes of China's Khruschev for Restoring Capitalism to the Countryside", People's Daily (August 28 1967) in SCMP, no.4021, pp. 9-14.

corruption - the Liuists expected to solve these problems by imposing stricter organizational discipline.

In contrast to this system, the Maoists advocated the "Tachai spirit".[38] Besides its stress on self-reliance, waging of a relentless struggle against the elements, and keen involvement of ordinary peasants in the tasks of economic development, the Tachai brigade was praised for its new work point system. In the Tachai brigade the work quotas and the piece-rates for various tasks were dropped. Instead, at regular general meetings the peasants evaluated their own work and behaviour (political attitude, activism, etc.) and graded themselves on a scale. The other peasants then gave their opinions and a final grade was fixed for each individual member. This individual rating was then simply multiplied by the number of days of labour the peasant has put in during the preceding period to arrive at his work point total for the period.[39]

Thus, besides simplifying record-keeping, the Tachai system evaluated a peasant's work as much by normative and political criteria as for his productive capacity. The stress

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38. See Chia Ch'eng-jang, "Put Labour Management Under the Command of Mao Tse-tung Thought", SCMM, no.615 (February 19 1968), pp. 28-35.

39. Chia Ch'eng-jang, a leader of the Tachai Brigade, described the Tachai system as one in which each peasant had "a mind bent on working for public interest and work points based on self-assessment and public discussion", ibid., p. 28.

on political criteria favoured greater involvement of the peasants in the affairs of the community, and it also promoted greater egalitarianism in distribution. Since under the old work point system rewards were distributed solely according to the quality and quantity of labour input those who already possessed capital assets, were technically competent and had strong labour power would gain more rewards, while poor and lower middle peasants particularly those who had small children and little labour power and capital assets were at a marked disadvantage.[40] This system, therefore, widened social disparities rather than reducing them.

Instead of encouraging individual incentives and entreprenuership, the Maoists proposed the Tachai form of incentives and entrepreneurship: the collectives themselves innovate, take risks and plan for the future,[41] and the state for its part, maintains a high rate of collective economic incentives by keeping agricultural tax low, reducing procurement prices, and lowering the price of agricultural inputs and industrial goods sold to the collectives.

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40. "Settle the Crimes....", n.37, p. 11. Here it may be pointed out that even though the Tachai system of incentives and work points was held up as a model for other rural production units, it was not insisted that they apply it mechanically. In fact, even after the reforms of 1968-69 very few communes have adopted the Tachai system. In contrast to the GLF period, Party policy during and since the GPCR has been to allow the peasantry to experiment with proposed policies and adopt variations which suit local conditions. See Whyte, n.31, pp. 7-12.

41. See Jack Gray, "The Economics of Maoism", in China After the Cultural Revolution, A Selection from the Bulletin of the Atomic Scientists (New York: Random House, 1969), p. 119.

(3) Commercial Practices

The Liuists stressed the importance of market mechanisms in allocating means of production and adjusting to consumer demands. By making profit the index of economic efficiency they were willing to tolerate a thriving private sector of manufactures, handicraftsmen, peddlers, and traders. To the the Maoists this could only lead to greater individualism, greater disparities and greed for money. Capital investment would not be distributed in terms of public interests (for example, there would be less mechanization of agriculture because returns would be low and require a long period of investment) and the stress on profitability would undermine the socialist relations of mutual help between enterprises and unified state planning.[42] Instead there will be cut-throat capitalist-type competition between enterprises for resources and markets.

In the arrangements for marketing and supply of commodities to the rural areas, market and profit considerations meant a neglect of those items which did not have a high turnover, were bulky, or the demand for them was seasonal.[43] This is true of most agricultural inputs. Even when these were marketed the supply and marketing cooperative preferred to deal only with the wealthier communes as they had cash in

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42. See Ching Hung, "The Plot of the Top Ambitionist to Operate 'Trusts' on a Large Scale Must be Thoroughly Exposed", SCMP no.3948 (29 May 1967), p. 5.

43. See Stavis, n.14, p. 216-228.

hand even before the agricultural season had started.[44] They were also unwilling to perform any educational functions relating to the products they marketed and were usually based in the county administration seat "so that the commercial workers are insufficient on the first line of the countryside."[45]

While all these problems cannot be objectively attributed to conscious "sabotage" by Liu Shao-ch'i or any of the other Party leaders who supported his views, their emphasis on the primacy of profit and market mechanisms was largely responsible for them. To cope with these problems, it was recommended during the GPCR that lower and lower middle peasant-led commune revolutionary committees take over control over the management of the supply and marketing cooperatives so that they were operated according to the needs of the villages and agricultural production.[46]

Another commercial practice proposed by the Liuists was the creation of "socialist trusts". These trusts were to be created for the purpose of improving quality, increasing the variety of products, cutting down production costs, raising labour productivity, and elevating techniques to meet the needs of the people.[47] Such trusts were to operate like

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44. Ibid., p. 217.

45. "Greater Numbers of Commerical Workers are Required in the Countryside", People's Daily editorial June 5 1965, SCMP no. 3489, p.7.

46. Stavis, n.14, p. 227.

47. See Hung, n.42, p.4.

capitalist monopolies scientifically contracting to buy materials, efficiently manufacturing commodities, and selling them to those who have the purchasing power. Twelve such trusts were created between 1963 and 1965 in the industrial and transportation sectors.[48]

The implications of such trusts, as already noted in our discussion of the "two lines" in agricultural mechanization, would be to retard the growth of intermediate technology in the countryside, commercialize and centralize both light and heavy industrial production, and encourage the peasants to migrate to the cities which would then be offering more conforts and more and better paid jobs.

(4) Rural Health

As in the case of agricultural mechanization, the "two lines" in this sphere may also be seen in terms of central government versus local responsibility for rural health care.[49] The Liuists are said to have wanted the central government to finance the rural public health programme on the grounds that local bodies are not able to bear the financial burden on their own. In contrast, the Maoists believed that such a burden was bearable and must be borne by the local level for two reasons: (1) the central resources thus conserved could be spent for capital investment and

48. "T'an Chen-lin's Crime of Sabotage ....", n.11, p.6.

49. See "The Mao - Liu Controversy Over Rural Public Health", Current Scene, vol. VII, no.12 (June 15 1969), p. 1.

national defense, and (2) traditional medicines and cheap medical services with an emphasis on preventive medicine could be developed by harnessing local resources and made available to the villagers at their doorsteps.[50]

Mao's June 26 1965 directive on public health demanded that rural areas be given more attention; specialist research in rare diseases and hard-to-cure diseases should not be at the cost of devising cheaper and more practical remedies for common diseases; and that only inexperienced doctors remain in the cities and the rest be transferred to the countryside.[51] Though this directive remained secret until 1968, press propaganda in 1965 emphasized Mao's concern for public health and highlighted the rapid mushrooming of mobile medical teams for rural areas. The use and development of traditional medicine was stressed and one paper warned that traditional medicine for rural areas was not only a matter of health but also of class struggle.[52]

The opening paragraph of the Red Guard version of Mao's directive reads as follows:

> You may tell this to the Health Ministry. That Ministry renders service to only 15 percent of the nation's population and among this 15 percent mainly people of some position or rank. The broad masses do not get medical treatment, they have neither the doctors nor the medicine they need. The Health Ministry does not belong to the people. It would be better renamed the Urban Health Ministry, or the Urban "Lords" Health Ministry instead. (53)

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50. Ibid.

51. Ibid., p.2.

52. Ibid.

53. Ibid., p. 4.

These are harsh words but do contain a fair measure of truth. The experience of most underdeveloped countries is that doctors trained at a high cost by the state prefer to work in the cities and the medical needs of the vast majority of the rural masses is neglected.

Apparently one-third of China's medical practioners were shifted to the rural areas in 1965 in response to Mao's criticism.[54] The Red Guards later alleged that this was done with extreme reluctance, and only the less experienced doctors, nurses and medical assistants were sent to the countryside.[55] Other accusations ranged from the charging of prohibitive medical fees from peasants who came to urban hospitals for treatment to the creation of four "model health centres" which monopolized all state investments.[56]

The Maoists advocated a different public health system. They wanted to make medical training more practice rather than theory oriented. They recommended a shortening of the duration of the courses and that there should be less stress on remedies (such as X-rays and costly medicines) which the pporer sections could not afford. Shanghai was reported to be at the forefront of such training.[57] In a training programme that had derived from the Great Leap period, experienced

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54. Ibid.

55. Ibid., p. 5.

56. Ibid., p. 6.

57. See "The Orientation of Revolution in Medical Education as Seen From the 'Barefoot Doctors'", SCMM no.628 (23 September 1968), pp. 3-10Ø.

general practitioners were sent to the rural communes and brigades. Here, they not only dispensed cheap cures but also trained "barefoot doctors". These were drawn from the poor and lower middle peasants and given a few months training in preventive medicine such as toilet reform, environmental hygeine, and birth control. They distributed traditional and cheap modern drugs and birth control devices and carried out education on preventing parasite and communicative diseases. In 1969 this system was introduced in the whole of rural China by setting up "medical cooperatives" which the peasants join by giving one or two yuan per year.[58]

The Maoist policy, therefore, was to take medicine to the villages by prodding rural communes to finance their own minimal, low-cost health programmes tailored to local demands. The Liuist policies of centralized health centres and highly trained and specialist doctors could amount to a neglect of the rural areas.

(5) Education

Since the GPCR was directed primarily at the superstructure the reform of education and of teachers was one of the most important aspects of the "two line" struggle. The reform and expansion of education after 1949 had been considerable. But the rural areas did not benefit from this to the

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58. Frederick W. Crook, "The Commune System in the People's Republic of China, 1963-74", China: A Reassessment of the Economy, Joint Economic Committee of the U.S. Congress (Washington, 1975), p. 392.

degree the urban areas did.[59] In the GLF it was sought to redress the balance by providing education opportunities in the rural areas by the creation of "half-work half-study" schools in the communes. The idea was that these schools would be cheap to run and would give peasants an education suited to the needs of rural development. In the lean years which followed, most of these schools were closed down, and China was forced to pursue policies of consolidation rather than expansion.[60]

At all levels of education, the emphasis was on quality rather than quantity, and academic criteria were applied to the virtual exclusion of all others. The system became highly elitist and it was actually more difficult in many areas for children of peasants and workers to receive an education at any level in the early 1960's than it had been in the late 1950's.[61] Remedial measures after 1963 resulted in attempts to reestablish schools run on "half-work half-study" principles. But this did not cover a vast majority of rural children.

In the Cultural Revolution the injustices of the 'old' system were attributed to the Liuists and P'eng Chen in particular.[62] The 'old' system was repudiated on four grounds.[63]

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59. See John Gardner, "Educated Youth and Urban-Rural Inequalities 1958-66", in J.W.Lewis (ed.), The City in Communist China (Stanford: Stanford University Press, 1971),pp.235-286.

60. John Gardner and Wilt Idema, "China's Educational Revolution", in Schram (ed.),n.8, p. 258.

61. Ibid.

62. See, for example, "Long Live the Great Cultural Revolution of the Proletariat", in SCMM no.530, (27 June 1966),p.6.

63. Gardner and Idema, n.60, pp. 259-260.

Firstly, not enough people were being educated in the rural areas and rigorous academic criteria for admission favoured children from relatively well-to-do and prosperous families. Secondly, the nature of much formal education was held to be irrelevant to China's needs as it was divorced from the problem of practical application. For example, it was alleged that medical schools paid attention to such topics as neuro-surgery while issues of general public health were ignored. Thirdly, the system was unduly expensive, particularly at the university level where the duration of courses was long and pupils were being made to acquire skills for which there was limited demand. Fourthly, the 'old' education system was condemned for inculcating a bourgeois orientation among students. Far from wishing to 'serve the people' many students became elitist, contemptuous of the masses and ignorant of their needs. To them, education was a means to improving their own status and salary rather than as a way for preparing themselves for public service. Few of them were prepared to work in the villages where the need for their skills was greatest.

In accordance with this critique educational reform was carried out on a large scale in 1968 and 1969, the primary orientation of the new system being towards rural areas. Many of these reforms were derived from the Yenan period and the Great Leap, but the difference was that they were now universally applied. John Gardner and Wilt Idema have summarised the content of these educational reforms as follows:

> Chinese education (was) structured to harmonize fully with .... 'Maoist' developmental strategies .... That is to say, the educational system is now seen as the instrument for the abolition of the 'three major differences' between town and country, worker and peasant, and mental and manual labour. There is an attempt to universalise education, at least at primary school level, and a policy of positive discrimination has been adopted to ensure that those who are most deprived get their share. Vocational rather than narrowly academic education is emphasized, and the reforms constitute an attempt to conduct modern, technically oriented education in a society, which, basically remains non-mechanized. The system tries to be 'proletarian' both by stressing ideological education to produce students who will serve the masses, and by giving the masses themselves greater responsibility in the management of educational institutions. It aims to destroy existing values, attitudes and expectations regarding education, which see it as a means of joining the elite, and to replace them with a concept of educa tion as a universally available prerequisite for useful participation in a modernizing economy. (64)

B. The GPCR in the Countryside

To use Richard Baum's phrase, the GPCR in the countryside was a "limited rebellion".[65] Throughout the Cultural Revolution the Party Center was extremely sensitive to any disruption this new mass campaign may cause in agricultural production activities. The leadership was keen on not repeating the mistakes of the GLF when hasty changes in organization had subverted essentially sound policies. Most of the GLF

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64. Ibid.,pp. 260-261. See also Marianne Bastid, "Economic Necessity and Political Ideals in Educational Reform During the Cultural Revolution", The China Quarterly, no.42, (April-June 1970), pp. 16-45.
The implications of these reforms will be discussed in the conclusions.

65. Richard Baum, "The Cultural Revolution in the Countryside: Anatomy of a Limited Rebellion", in Thomas W.Robinson (ed.), The Cultural Revolution in China (Berkeley: University of California Press, 1971), pp. 367-476.

policies ("walking on two legs", phased mechanization, labour intensive rural construction, and decentralization of the industrial, health and educational systems) were upheld in the GPCR; but their widespread implementation came only after the political turbulence had subsided and it was coupled with the political reconstruction and consolidation of 1968 and 1969.

Despite the launching of the GPCR in the early months of 1966, the SEM continued to be stressed as the major political movement in rural China well into the summer of 1966. The Sixteen-Point directive of the Eleventh Plenum (August 8) laid down that the two movements must continue separately. The SEM was to continue in rural communes and villages "according to original arrangements", while the GPCR was to take as its "key point" the rectification of "bourgeois powerholders" in cultural and educational units and leading and governmental organizations in large and medium cities.[66]

But with the mobilization and the subsequent dispersal of the Red Guards in August and September the GPCR began to "spill over" into the countryside. However, this primarily affected the suburban communes.[67] At this stage Mao's "little

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66. "Decision of the Central Committee of the Chinese Communist Party Concerning the Great Proletarian Cultural Revolution", CCP Documents of the Great Proletarian Cultural Revolution, 1966-1967 (Hong Kong: Union Research Institute, 1968), p.52.

67. See Baum, n. 65, p. 377.

generals" mostly attacked the "four olds" in the form of smashing ancestral tablets, incense burners, religious icons and the like. Some indigenous Red Guard groups also emerged in these communes who used wall-posters to attack local "powerholders". The local Party authorities, like their urban counterparts, sponsored their own "royalist" Red Guard organizations - the phenomenon of "waving the red flag to oppose the red flag".[68] Powerholders used various tactics to forestall mass participation in the "great debates". There were reports of deduction of work points of all peasants who joined in revolutionary criticism and the co-opting of younger cadres to represent the Commune Party Committee at criticism meetings.[69] And as the movement penetrated further, the Party establishment sought to bribe the peasants with "sugar-coated bullets", i.e., by distributing collective funds and properties.[70]

But the Cultural Revolution in the rural areas was, in general, to follow the agricultural cycle. As the crucial autumn harvest season arrived in September, a People's Daily editorial entitled "Grasp Revolution, Promote Production" explicitly prohibited urban Red Guards from interfering in

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68. This phenomenon has been documented and analysed in most writing on the GPCR. See, for example, Philip Bridgham, "Mao's Cultural Revolution in 1967: The Struggle to Seize Power", The China Quarterly, no.34 (April-June 1968), pp. 8-37; and David Milton and Nancy Dall Milton, The Wind Will Not Subside: Years in Revolutionary China - 1964-69 (New York: Pantheon Books, 1976).

69. Baum, n.65, p.382.

70. Ibid.

rural politics. Local poor and lower middle peasants were hailed as "the main force of the revolution" and were said to be "fully capable of handling the revolutionary movement in their own organization".[71] Thus official policy was to emphasize the latter part of the slogan "Grasp Revolution, Promote Production", and the editorial called for "the temporary suspension" of all political campaigns in rural China in order that "all efforts can be concentrated on making a good job of this year's autumn harvest".[72]

On September 14 the Party Central Committee issued a directive entitled "Regulations of the CCP Central Committee Concerning the Great Cultural Revolution in the Countryside Below the County Level".[73] It repeated the themes of the September 7 editorial and added that, "Students and Red Guards from Peking and other places, unless otherwise instructed .... are not to go for transcommunication in the Party and Government organizations, communes and brigades below the county level, and not to participate in debates at the various levels below the county".[74] It also instructed that, "the provincial and regional Party committees may, when necessary, organize in a planned way some school Red Guards and revolutionary teachers

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71. "Grasp Revolution, Promote Production", People's Daily editorial, September 7 1966. Cited by Baum, ibid., p.384.

72. Ibid.

73. The text of this directive appears in CCP Documents..., n.66, pp. 77-80.

74. Ibid., Article 1.

and students to go into the countryside to help in propaganda and taking actions".[75] This discretion was used by the Party establishment to dispatch investigating work teams to rural units and quell rebel insurgency. Later attempts by Revolutionary Rebel Organizations to "reverse the verdicts" imposed by these work teams confirm that this part of the September 14 directive was used to defend entrenched Party interests.[76]

The directive also instructed that, "Cadres appointed by superior Party committees or government organization should in no case be discharged from office directly by the masses".[77] What this meant, in effect, was that principal Party cadres at the commune and brigade levels were to be exempted from mass struggle and criticism during the busy harvest season, when their specialized leadership skills were needed. For instance, a "suitable division of labour" was proposed by the Red Flag in which two leading groups "one mainly in charge of the Cultural Revolution, the other in charge of production" were to be created under the "united leadership" of the Party branch.[78] Thus, the local powerholders were temporarily spared in the interests of production.

75. Ibid., Article 3.

76. See Baum, n.65, pp. 387-388. On the question of the nature and manifestation of cadre conservatism, see Ezra F.Vogel, "From Revolutionary to Semi-Bureaucrat: The Regularization of Cadres", The China Quarterly, no.29 (January-March 1967), pp. 36-60; and Michel Oksenberg, "The Institutionalization of the Chinese Communist Revolution", The China Quarterly, no.36 (October-December 1968), pp. 61-92.

77. "Regulations of the CCP ...", n.73, Article 4.

78. Cited in Baum, n.65, p. 390.

But once the autumn harvest had been collected the Party Center sanctioned the lighting of Cultural Revolutionary fires in the countryside. The requirement of the busy agricultural season could only postpone the turmoil: the logic of the GPCR was that "bourgeois powerholders" existed at all levels and must be exposed and repudiated. The November 10 People's Daily editorial for the first time called for a Cultural Revolution in both urban and rural areas.[79] In total contrast to the September 14 directive which gave provincial and sub-provincial level powerholders the discretion to dispatch work teams and direct the Cultural Revolution, the November 10 editorial called for "extensive democracy". "Grasping Revolution" was now given an equal footing with "Promoting Production".

With the outburst of the "January Revolution" in the cities and slack winter season in the villages, struggles once again broke out in the suburban communes and also some rural communes. As in the cities, the Party powerholders used their patronage powers and financial resources to organise "royalist" groups. Both sides, "loyalist" and "royalist", tried to exploit rural discontent to their advantage - specifically the grievances of rural contract labourers, intellectual youths sent down to the countryside, those peasants who feared

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79. "More on the Question of Grasping the Revolution Firmly and Stimulating Production", People's Daily editorial November 10 1966, in SCMP no. 3825, p.2.

that private plots will be recollectivized, and those who had been struggled against in the "Four Clean-Ups" campaign.[80]

The consequent factional strife made it impossible to judge to which "road" each organization belonged. As Richard Baum puts it: "The motives of 'economism' and opportunist self-aggrandizement ... combined with ... political survival and self-preservation (to) significantly distort the main lines of 'struggle between two roads and two lines'".[81]

Meanwhile on December 15 the Central Committee issued another directive entitled "Directive of the CCP Central Committee Concerning the Great Proletarian Cultural Revolution in the Countryside (Draft)".[82] It called for a thoroughgoing, mass-oriented political revolution: "It must be that the masses make decisions as masters, that the masses educate themselves, that the masses liberate themselves, and rise up themselves to make revolution".[83] Rural powerholders were warned not to retaliate against the peasants who criticized them and the dispatch of work teams was prohibited. A six month vacation was ordered for rural middle school students so that they could organize themselves into Red Guard detachments, and the sons and daughters of leading cadres in communes,

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80. See Baum, n.65, pp. 395-397.

81. Ibid., p. 403.

82. Text reprinted in CCP Documents ...., n.66, pp.137-142.

83. Ibid., Article 2.

brigades and teams were not permitted to assume positions of responsibility in these organizations.

The formula of a division of labour in the twin tasks of "grasping revolution" and "promoting production" under the Party's "united leadership" was discarded. New "Cultural Revolution committees of poor and lower middle peasants" were to be created instead, and these would conduct both revolution and production. "Teams for the leadership of production, after being discussed, reorganized or re-elected by the masses, are to be responsible for the production, distribution, purchase and supply programs".[84]

Thus all restraints on mass political agitation were removed and the months of January and February 1967 saw "power seizures" in several rural areas. Leadership was totally paralyzed in these areas, and labour discipline naturally declined. Besides the chaos created by the renewed factional strife in the rural areas, there was also the call to "reverse verdicts" handed out by the work teams dispatched under the September 14 directive. The earlier work teams of the SEM were also being recalled by retribution-minded former cadres and "five category elements", under the pretext of "making thoroughgoing revolution".[85]

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84. Ibid., Article 5.

85. See Baum, n. 65, p. 416.

To deal with this development the Party Central Committtee promulgated a brief notification entitled, "Circular of the CCP Central Committee Concerning Safeguarding the Results of the Four Clean-Ups Movement" (January 25 1967).[86] The sending of the Four Clean-Ups work teams was defended and the responsibility for the "mistakes" committed by them was not to be borne by the work team personnel but by "the person who put forward the erroneous line" (i.e, Liu Shao-ch'i). But by early spring when the attacks on Liu took the form of repudiating his alleged policy of "hitting hard at the many to protect the few" in the SEM and the early phase of the GPCR, the Maoists acknowledged that some "good and relatively good" rural cadres and commune members had been unjustly purged or punished as a result of Liu's "sinister line". The dilemma of sorting out the "good" and the "bad" results of the rural campaigns of the past year was solved by passing all such cases to higher levels.[87]

However, although this issue was defused, something had to be done to restore leadership and labour discipline in view of the approaching spring planting season. Therefore, on February 20 1967 the Central Committee addressed a "Letter" to all lower and lower middle peasants and rural cadres.[88]

86. Text reprinted in CCP Documents ..., n.66, pp. 203-205.

87. Baum, n.65., pp. 418-419.

88. "Letter from the Central Committee of the Chinese Communist Party to Poor and Lower Middle Peasants and Cadres At All Levels in Rural People's Communes All Over the Country", CCP Documents..., n. 66, pp. 329-333.

It appealed to all lower and lower middle peasants to show "understanding and support" towards all cadres who were willing "to make amends" for past mistakes of shortcomings. It emphasized the traditional Maoist affirmation that "the overwhelming majority of cadres at all levels in the rural people's communes are good or comparatively good". Even those former cadres removed from office during the "Four Clean-Ups" were offered a way out by "taking an active part in labour and remoulding themselves". Finally, the "Letter" exhorted all rural cadres and peasants to stand fast at their work posts, take immediate steps to arrange spring cultivation tasks, and mobilize all forces to "promote production". Clearly, the main policy emphasis was once again on the urgent seasonal need for the unification and consolidation of local production leadership in the countryside.

But the instability in the rural areas continued, and the Central Committee circular of March 7 stated categorically and unconditionally that there were to be no further power seizures in the production brigades and production teams for the rest of the spring farming period.[89] In those brigades and teams "where leadership is paralyzed, the activists among poor and lower middle peasants and the revolutionary cadres should organize a provisional leading group to grasp spring farm work".[90]

89. "Circular of the CCP Central Committee Concerning the Undesirability of Seizure of Power in Rural Production Brigades and Production Teams During the Spring Farming Period", ibid., pp. 347-350.

90. Ibid., Article 2.

But constituting such groups proved difficult without outside intervention. Therefore, in the spring of 1967 the People's Liberation Army (PLA) was thrown in to both "support the Left" and "support agriculture". The success of the genuine "revolutionary rebels" was by no means assured in the plethora of "red flags" being waved in the whole of China. This task was, therefore, handed over to the PLA which was to identify the "Left" and form "three-way alliances" with it and the "revolutionary cadres" in order to create a new political order and reconstruct the overthrown Party machinery on Maoist lines.

But this task proved difficult as the chief problem was not supporting but identifying the Left in any given situation of factional strife. The PLA's response to this was to take the path of least resistance, i.e., to simply restore civil order and wait and see which faction had the brighter prospects of emerging victorious. Both these factors tended to favour conservative "rebel" organization and their supporters including incumbent powerholders. A tacit alliance emerged between regional and local PLA commanders and "conservative" rebel organization and rural powerholders. Many radicals came to look at the PLA men as "just another form of work team organized by (followers of) the bourgeois reactionary line".[91]

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91. Cited in Baum, n.65, p. 433.

The Party Center tried to rectify this tendency by openly censuring the PLA commanders in various provinces, military districts and sub-districts for committing various mistakes such as "supporting conservative organizations", carrying out "ruthless armed suppression" against genuine rebel organizations and "making indiscriminate arrests" of all who opposed their leadership. The PLA was asked not to declare mass organizations "counter revolutionary" without prior approval from central authorities and not use force but only isolate "bad leaders", give "active education" to the masses who had been "hoodwinked", and promote "great alliances".[92]

But if the PLA failed to perform its political tasks to the satisfaction of the Party Center, it was more successful in its natural role of imposing martial discipline on the basic levels of productive and administrative organization.[93] Under the nation-wide movement to "support agriculture" large numbers of PLA officers and men were dispatched to the countryside in the spring of 1967 to take the lead in "mobilizing forces" for agricultural production, and together with local militia, to form the nucleus of a new production leadership.

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92. Ibid., pp. 434-436. For an analysis of the PLA's domestic political role in the GPCR, see Jurgen Domes, "The Cultural Revolution and the Army", Asian Survey, vol.8, no.5 (May 1968), pp. 349-363; John Gittings, "The Chinese Army's Role in the Cultural Revolution", Pacific Affairs, vol. 39, nos. 3-4 (Fall 1967), pp. 269-289; and Harvey Nelsen, "Military Forces in the Cultural Revolution", The China Quarterly, no.51 (July-September 1972), pp.444-474.

93. Ibid., p. 439.

From the provincial to the production team level "three way alliances" were established to make "overall analysis of the current situation and tasks" and "whipping up an upsurge in spring ploughing and production".[94]

Order and labour discipline was thus restored, and in a series of injunctions from June onwards the Party Center prohibited all further power seizures in rural production brigades and production teams. For the rest of the Cultural Revolution it was ceaselessly asserted that a vast majority of pre-GPCR rural cadres were "good" or "relatively good" and should therefore be retained in their posts or rehabilitated. The peasants were assured that no new restrictions - either legal or normative (voluntary) - would be placed on the cultivation of private plots and the three-level system of ownership in the countryside with the production team as the basic level would "not be changed as a rule".[95]

In early 1968, the provisional tripartite groups which had been created in the late winter and early spring of 1967 were replaced by "revolutionary committees" at all levels down to the production brigade. Many of the pre-GPCR cadres were retained in these, but there was also a high representation of local militia and lower and lower middle peasants who had actively participated in the GPCR.[96] These committees were in charge of production and repudiation of revisionism and "reactionary absurdities".

94. Ibid., p. 440.

The GPCR can be said to have finally engulfed the whole of rural China only in the later half of 1968 with the intensification of a campaign of "struggle-criticism-transformation". After the Twelfth Plenum held in October 1968, tens and thousands of Poor and Lower Middle Peasants' Thought of Mao Tse-tung Propoganda Teams were organized in communes and brigades throughout the country. Under PLA supervision, these propaganda teams (composed primarily of "backbone" militia and "activist elements" selected from the peasants) carried out "class purification" of basic-level leadership groups and promoted the "liberation" or rehabilitation of cadres who had been criticized or struggled against in the earlier stages of the GPCR. They propogandized the "two line struggle", and above all popularized a series of rural organizational and administrative reforms adopted by the Party Center in the autumn of 1968 in accordance with the Maoist line described in the previous section.[97]

As to the effects of the GPCR on actual agricultural production, as we have seen, the more turbulent "power seizures"

(last page footnotes contd...)

95. See "Directive of the CCP Central Committee Concerning the Great Cultural Revolution in the Countryside in this Winter and Next Spring", CCP Documents ....., n.66, pp. 630-633.

96. See Baum, n.65, p. 447.

97. See "Communique of Enlarged Twelfth Plenary Session of the Eighth Central Committee of the Chinese Communist Party", (adopted on October 31 1968), SCMP no. 4293, pp. 12-16.

were by and large confined to suburban communes and the factional strife in rural villages in the spring of 1967 was quickly and effectively checked. A very large majority of China's rural communes were not directly affected by the GPCR except during its final phase during the "unity-criticism-transformation" drive to establish "revolutionary committees". These revolutionary committees were the chief organizational off-shoot of the GPCR: they reflected the new power equation in China as a whole. Die-hard "Capitalist roaders" (i.e., those opposed to the Maoist line) were purged and repentant cadres rehabilitated. The significant thing is that unlike the cities, the villages did not in general experience the difficulties of putting together such alliances. Rather, the formula derived from the experience of the cities was handed down to the villages and implemented under PLA supervision with relative ease and the minimum of factional violence and disruption of production activities.

There is general agreement among scholars that unlike the Great Leap, the GPCR did not disrupt agricultural production significantly. But some have suggested that since the 1967-1968 harvests did not exceed the 1964 to 1966 harvests inspite of favourable climatic conditions, this stagnation may be attributed to the disruptive effects of the GPCR.[98] They also point out that transport paralysis in

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98. See, for example, Baum, n.65, pp. 471-476; and Steve Washenko, "Agriculture in Mainland China - 1968", Current Scene, vol. vii, no.6 (March 31, 1969).

the early stages of movement and the suspension of rural construction may also have adversely affected agricultural production.[99]

But Benedict Stavis and Dwight H. Perkins have argued that the stagnation in agricultural production after 1967 is due to technological reasons and natural constraints.[100] Stavis categorizes the years 1964-67 as a "period of rapid technological change" in which grain production rose steeply from 195 metric tons to 230 metric tons. In contrast, the years 1968-73 are a "period of stagnation" with a more or less uniform annual growth rate of 1.4 percent.[101] According to him the technological reasons for this stagnation are as follows: "Advanced technologies for upland crops have not become available. Moreover, problems may have been encountered in the modernized sector. Modern agriculture is like a treadmill: new techniques must be constantly devised and extended as higher production is required, as inputs change and as new pests and diseases emerge. China difinitely mounted this tradmill in the early and mid-1960s, but by the end of 1960's China may have had difficulty keeping up on the treadmill".[102]

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99. Baum, ibid., p. 474. Washenko, ibid., p. 3.

100. See Stavis, n.14, pp. 20-21; and Dwight H. Perkinds, Constraints Influencing China's Agricultural Performance", n.58, pp. 350-365.

101. Ibid., n. 14, pp. 20-22.

102. Ibid., p. 21.

C. The Impact of the GPCR on Commune Organization

The GPCR had a limited impact on the administrative and organizational structure of the rural areas. Unlike the GLF which was an attempt to totally reorganize the countryside and its economic structure, the GPCR was directed primarily toward the urban intellectual community and the Party establishment, i.e., the superstructure. In some communes in Kiangsi and Kwantung teams were amalgamated into larger brigades and there were instances of suspending the private plots.[103] But these instances were rare and Party policy basically adhered to the retention of the commune system as it existed prior to the GPCR.

However, while the pattern of ownership, production, management and incentives remained intact, the commune and the brigade levels were entrusted with greater responsibilities concerning education and health services and promotion of local industry. In reaction to the centralist tendencies of the years prior to the Cultural Revolution, the Party adopted a number of reforms following the Twelfth Plenum in October 1968, which effectively 'ruralized' health and education services and further decentralized industry.

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103. Byung-Joon Ahn, "The Political Economy of the People's Commune in China: Changes and Continuities", Journal of Asian Studies, vol.XXXIV, no.3 (May 1975), p. 652.

Another effect of the GPCR was to ensure a greater role for poor peasants in the administration and decision-making of the commune. This was initiated during the course of the "unity-struggle-transformation" drive by establishing revolutionary committees which institutionalized the "three way alliances" of veteran "revolutionary" cadres, "activists" from among the poor and lower middle peasants, and demobilized soldiers and militia-men. These committees combined the roles of the earlier Party Committee, the management committee and the military units.[104] After the Ninth Party Congress when the new Party Committees were organized the revolutionary committees assumed mainly the role of the former management committees, while the militia, too, was reorganized. The higher level Party units were directed to interfere less in appointing lower level cadres in accordance with the new Party constitution which emphasized "consultation" in the selection process.[105] The size of the revolutionary committees was also reduced to roughly one-third of the former management committees in order to simplify the administrative structure.[106]

The reorganized Party Committees consisted mostly of the cadres who had been in power before the Cultural Revolution and they also played the same role as before - to strike a balance between the state plan and the plans of the three levels of the commune, and between collective and private undertakings.[107]

104. Ibid., p. 653.

105. Ibid.

106. Ibid.

107. Ibid.

In terms of functions, the GPCR led to an increase in the role of the commune and the production brigade in developing local industry, education, health care, and trade. Since the GPCR, the commune and the brigade have increased their efforts to develop medium and small industries on a self-sufficient basis by trying to utilize surplus labour and tap local resources. They have also been taking initiative in increasing collective subsidiary production activities. Thus, the Chinese developmental strategy in the GPCR and since has revived and implemented many of the basic themes of the Great Leap period.

Nowhere is this more evident than in the renewed emphasis on local industry.[108] The development of local industry is expected to strengthen the base for agricultural mechanization by utilizing local skills and resources. Local industry also absorbs underutilized labour in the countryside and since less capital investment and equipment are required the returns are quicker. This tends to create a "cellular economy",[109] but the Chinese planners expect that eventually a linkage between rural industry (primarily oriented to the needs of agriculture) and urban industry (primarily oriented

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108. See Jon Sigurdson, "Rural Industry and the Internal Transfer of Technology", in Schram (ed.), n.8, pp. 199-232; and, Carl Riskin, "Small Industry and the Chinese Model of Development", The China Quarterly, no.46 (April-June 1971), pp. 245-273.

109. See Audrey Donnithorne, "China's Cellular Economy: Some Economic Trends since the Cultural Revolution", The China Quarterly, no. 52 (October-December, 1972), pp. 605-619.

to heavy construction and national defense) will take place and result in a "new pattern of urbanization".[110]

During 1968-69 some mergers seem to have taken place and in 1970 there were apparently only 51,000 communes in China.[111] This trend seems to have been a response to the increased responsibilities entrusted to the commune and brigade levels in order to increase their resources. With the development of social services and local industries, the brigade level has been given more functions and powers than it enjoyed before the GPCR. The brigades have shouldered most of the burdens of managing rural health services and primary schools, and have taken some responsibility for supervising state-managed supply and marketing stores.

Most brigades have set up medical cooperatives which the peasants can join by paying a small annual membership fee. Patients pay a small fee per visit to the medical cooperative. The brigade supplements the income of these cooperatives by contributing some money from its welfare fund.[112] The treatment given is of the "barefoot doctor" variety, with an emphasis on preventive medicine and cheap or traditional cures.

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110. Sigurdson, n. 108, p. 232.

111. Crook, n. 58, p. 375.

112. Ibid., p. 392.

Also the brigades continue to run all primary schools, and since the GPCR poor and lower middle peasants in the brigades have been entrusted with their management.[113] This makes the system more responsive to rural needs, and the stress of education is to train workers who will increase rural production and not migrate to the cities. In fact, educated youths from urban areas are used as teachers in these primary schools. Other teachers include the head of the militia unit, brigade accountants, paramedics, and agricultural technicians.[114] To ensure that the teachers do not become a distinct privileged group divorced from the peasants, they are paid in work points and receive only the average local income of the peasants they serve.[115] Many brigades encourage the schools to engage in subsidiary production activities to help support their education.[116]

Regarding marketing services, supply and marketing cooperatives often have branches at the brigade level.[117] Since the GPCR, the local inhabitants have been given a greater voice in the management of these branch stores, particularly with respect to what products they stock.[118] The stores also purchase a number of items like pigs, fruit and handicrafts, for the

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113. Ibid.

114. Ibid., p. 393.

115. Ibid.

116. Ibid.

117. Ibid.

118. Stavis, n. 14, p. 227.

state from brigades, teams and households.[119]

To sum up, the commune system provides basic social security to its members and provides for equitable distribution and social welfare. And it contributes to development by implementing the state plan and local programmes by mobilising local resources. The GPCR has preserved and strengthened these features of the commune which were being undermined by the policies favoured by Liu Shao-ch'i and his supporters prior to 1966.

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119. Crook, n. 58, p. 393.

CONCLUSION

CONCLUSION

The Chinese developmental strategy as it first unfolded in an embryonic form in the Great Leap Forward and was finally implemented in a modified, systematic and more self-conscious manner in the aftermath of the Cultural Revolution is shaped by concrete Chinese conditions and Mao's understanding of the laws of socialist development and construction. It is the application of Marxian economics and the laws of socialist construction as formulated by the Soviet Union to the concrete realities of China and the CCP's perceptions of this reality, its revolutionary goals, and the position of the People's Republic of China in the world.

Unlike the Soviet Union, China was not constructing its socialist economy under a constant threat of war. This factor had compelled the Russians to stress production, accumulation and a modern military system without sufficiently taking into account the implications of this emphasis on social relations, i.e., the superstructure. These objectives could be speedily realized only by relying on elites, and therefore, the Soviet Union permitted social and economic differences (including those between the leaders and the led) to continue and class contradictions were ignored. Another factor which influenced Soviet decision-making to some extent was the Soviet Union's favourable man : land ratio. But, had it not been for the war threat the CPSU might have followed a less harsh course

with regard to the peasantry and the agricultural sector. In any case, imbalances occurred in the Soviet economy as a result of the emphasis on heavy industry and the relative neglect of agriculture and light industry.

Mao believed that given the more favourable international situation in which China was constructing its economy (with the aid and military support of the socialist camp in the 50's) and considering China's greater dependence on agriculture to provide the surplus for industrialization, the deformations and imbalances which had entered the Soviet economy could and should be avoided. This could be done by exploiting surplus rural manpower as far as possible as a substitute for capital, complementing labour intensive schemes with capital investment by reorienting heavy industry to 'serve agriculture', developing an intermediate technology by stressing phased modernization of the rural economy, and using the gains of these for the ultimate industrialization of China.[1]

The model of development envisaged by Mao, therefore, was one of decentralized and even growth. In Mao's view, such a model was the correct one for China because it would promote

1. Mao's analysis of the favourable international situation in the 50's and its implications for the choice of economic policy in China occurs in a number of speeches he made at that time. For example, see his "Speeches at the Second Session of the Eighth Party Congress" (8-23 May 1958) in Miscellany of Mao Tse-tung Thought (1949-1968) (Arlington: Joint Publications Research Service, 1974), pp.91-118. As to the oft-repeated Chinese fear of the Soviet threat to China after 1969, it can be argued that the Chinese leaders do not take this seriously themselves. Preparation of the people's war variety (dispersal of industrial and military units, digging of tunnels, hoarding food and so on) have taken place, but no dramatic diversion of funds to the military sector has occurred.

a more equitable distribution of wealth and modern skills among the various regions and sections of the population of China. And it was more dynamic and progressive as it was expected to change man and social relations alongside the objective material conditions by involving each individual in the tasks of economic development and the realization of societal goals in a self-conscious manner.

While Mao's aim (as indeed of every Chinese leader including his opponents) was to make China a mighty superpower he believed that stressing greater production, accumulation and a modern military system at the expense of revolutionary principles would be a negation of the Marxist vision of a classless society and his own conception of the destiny of the Chinese nation as the creator of a collective utopia of selfless, creative and energetic people. He believed that the contradiction between the material base and the superstructure or in other words, the contradiction between industrialization and modernization on the one hand and distributive justice and mass participation on the other, had not been resolved by the Russians because they had abandoned the practice of dialectical materialism for the narrower aims of power and war-preparedness. He wanted China to avoid this mistake and develop socialist relations and a socialist economy in interaction with one another so that China's development would be healthy in the Marxist sense of the word and truer to China's revolutionary ideals.

For Mao, the contradictions between democracy and centralism and between the leaders and the led were not irreconcilable contradictions. Indeed, only if a synthesis of these contradictions occurred would the basic contradiction between the material base and the superstructure be resolved. In a speech in the summer of 1957 he formulated this conviction which he reiterated in 1962 and which has since become in relation to the Constitution of the CCP what preambles are to state constitutions:

> We must bring about a political climate which has both centralism and democracy, discipline and freedom, unity of purpose and ease of mind for the individual, and which is lively and vigorous. (2)

This is an imposing set of goals, and it would be naive to believe that the People's Republic of China has lived up to this credo. But the efforts made by the CCP to control bureaucracy and the constant debate on equality show that these are objectives to which the CCP is sincerely committed. Mao believed that these objectives can only be realized if the non-dialectical methods adopted by the Russians, particularly after Stalin, do not enter into the thinking and practice of the CCP and its leadership. This is the real explanation for the Cultural Revolution and its slogan of "fight self, repudiate revisionism". For Mao, it was not only the Russian formula

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2. Mao Tse-tung, "Talk at an Enlarged Central Work Conference" (30 January 1962), in Stuart R.Schram (ed.), Mao Tse-tung Unrehearsed, Talks and Letters: 1956-71 (London: Penguin Books, 1974), p. 163.

of investment that was unsuitable for China (as it was highly exploitative of the peasantry and by giving leadership to the elites and the cities it perpetuated class differences). He also rejected the whole Russian neglect of socialist education and the superstructure which accompanied this formula as un-Marxist-Leninist, and therefore inimical to the development of socialism in China.

Mao was not a pastoral idealist and always recognised the necessity of economic progress and industrialization. But he believed that China must industrialize without sacrificing the revolutionary goals of egalitarianism, collectivism and active mass participation, and the way to achieve this synthesis, was not to rely on urban elites but on the peasant masses with whom the elites merge and are accountable to. In the aftermath of the Great Leap, Mao was convinced that the thinking of most of his important colleagues on these issues had more in common with Russian thinking rather than his own views which he considered truly Marxist-Leninist.

Mao was also forthright about his own mistakes : he realised that the original commune programme was premature as the problems of the socialist stage had not been fully resolved. The transition to communal ownership meant an excessive rate of accumulation which did not accord with objective criteria such as the continuance of class conflict and contradictions among the people. Or in other words,

the socialist revolution had not been accomplished in China because as long as classes and inequalities existed there could be no communism. The socialist stage could not be skipped, and therefore, Mao acknowledged that the original commune system had been conceived on the basis of abstract principles rather than principles based on concrete dialectical analysis.[3] While Mao considered the constant emphasis on consolidation of the socialist system in the manner of the Soviet Union dangerous as it will allow the forms of consciousness that reflect this system to become calcified;[4] he nevertheless acknowledged that the socialist stage must first create the material and spiritual conditions for a transition to communism. The simultaneous consolidation of the socialist stage and resolving the various contradictions which characterize this stage in order to pave the way for transition to communism are the aims of China's socialist revolution as Mao conceived it.

And how was China to successfully accomplish this kind of socialist revolution? Mao's answer to this question, as we have seen in the course of this dissertation, was both an economic and a political one. The economic ingredient

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3. See, for example, Mao, "Speech at the Ninth Plenum of the Eighth CCP Central Committee" (18 January 1961), n.1, pp. 237-245.

4. This theme runs through the whole of Mao's "Reading Notes on the Soviet Union's Political Economy," ibid., pp. 247-313; also see Richard Levy, "New Light on Mao: His Views on the Soviet Union's Political Economy", The China Quarterly no. 52 (October-December 1972), p. 111.

of his answer was to pattern economic policies in such a way that the rural masses and the various regions of China were simultaneously involved in economic construction and industrialization so that a different kind of development takes place. This kind of development would allow for specialization and economic growth but would not perpetuate old inequalities or create new ones between the various classes and regions of China.

The political ingredient in the success of China's socialist revolution, Mao believed, was a new kind of revolutionary leadership and organization. He was not prepared to turn over the control of the revolutionary process to the spontaneous impulses of the masses. In the Cultural Revolution he explicitly repudiated those ultra-leftists who imagined that the masses, under the guidance of correct ideology could do without leadership and organization.[5] But he wanted this leadership and organization to be responsive to the masses and willing to accept their criticism. Economic and social change brought about in a routinized and pragmatic way by bureaucrats without the active participation of citizens was for Mao a perpetuation of classes and inequalities and meant continued subjection and degradation of the masses of China. It was for this reason that he opened the doors of the CCP to rectification from outside in the Cultural Revolution.

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5. See Schram, "Introduction", n.2, p. 16.

While Mao's economic theories may be considered a development of Marxism-Leninism and a creative application of dialectical materialism to Chinese conditions; his views on revolutionary leadership, as Benjamin Schwartz has pointed out, are in essence a "return to a position long shared by liberals and anarchists- viz., that the kind of social power and privilege which derives from occupation of position within a political institution or bureaucracy can be as primary and as autonomous a source of oppression, domination, and exploitation as the social power and privilege deriving from the possession of private property".[6]

In this dissertation we have studied the evolution of the Maoist developmental strategy in relation to rural organization and in particular the commune system. We started this study with the setbacks caused by the premature "communism" of the original commune system, then reviewed the process of its 'readjustment' in the early 60's, and concluded by examining the effort in the Cultural Revolution and its aftermath to return to those features of the original commune which Mao and his allies considered appropriate to the socialist stage. These features are the vigorous development of local industry, labour intensive construction and land improvement projects combined with a certain amount of capital investment in the

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6. Benjamin I. Schwartz, "A Personal View of Some Thoughts of Mao Tse-tung", in Chalmers Johnson (ed.), Ideology and Politics in Contemporary China (Seattle and London: University of Washington Press, 1973), p. 361.

form of modern inputs, phased farm mechanization which is tailored to local resources and needs, decentralized health and education services, and the promotion of local initiative for scientifically improving agricultural production.

The problems of this strategy (and I will restrict myself only to their manifestations in rural organization) are as great and complex as those entailed by any other model of development. These problems may be identified as (1) the problem of regional inequalities and inequalities between communes, (2) the continuance of inequalities within the village and production units within each commune, (3) the growth of a "cellular economy" due to the stress on self-reliance and self-sufficiency, and (4) the problem of maintaining adequate technical expertize in services without developing a powerful urban-centred bureaucratic and professional elite. The first two problems are perhaps unavoidable in any model of development, but the Chinese Government has shown more awareness of the need to resolve them than most other governments facing such problems at a similar stage of development. The latter two problems are peculiar to the Maoist model (though, of course, these phenomena occur in all developed political systems) and are directly related to the Maoist stress on decentralization and equitable distribution of the benefits of modernization.

Before examining each of these problems individually, it would be appropriate to stress that the Chinese economic strategy (and indeed the political system which accompanies it)

cannot be fully understood if one ignores the importance the Chinese people under the leadership of the CCP have attached to the ideal of distributive justice - distribution of wealth and economic power between regions, between various nationalities, between individuals and so on. In other words, the role of ideology must not be ignored. Here I would like to echo the words of Frederic Wakeman, Jr., who says: "Ideologies remain vital not because they coincide with reality, but rather because those who believe in them know that while reality merely is, they would will it otherwise. That restless sense of purpose motivates all revolutionary movements, and unless we appreciate its vigour, we will never truly understand the dynamism of Chinese Communist ideology".[7]

Therefore, if one ignores the role of ideology and assesses Chinese economic organization in terms of purely economic rationality a number of its features will appear irrational to us. For instance, the Chinese planners have allotted more state investment to backward areas rather than further developing regions which would have brought a much higher rate of return.[8] This entails a sacrifice of some amount of economic growth at least in the short run. The Chinese believe that such a sacrifice is justified as in the long run

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7. Frederic Wakeman, Jr., "The Use and Abuse of Ideology in Study of Contemporary China", The China Quarterly, no.61 (March 1975), p. 152.

8. See Nicholas R. Lardy, "Reply", The China Quarterly, no.66 (June 1976), pp. 352-354.

the benefits of modernization will be more equitably distributed. This will strengthen the commitment of the people to the political system as more and more people will simultaneously participate in national construction and benefit from this, and also since the industrial base will be more evenly developed there will be greater, healthier and more harmonious economic growth and modernization.

In the light of this factor, let us now examine each of the problems of the Chinese economic model which we have identified above, and see what the Chinese planners are doing to cope with them.

(1) Regional inequalities and inequalties between communes

Economic development in a vast and predominantly agrarian country like China cannot be uniform for the simple reason that certain areas and people benefit more from modern techniques than others. Geographical conditions greatly influence the potential of an area to apply modern techniques. For instance, soil fertility and the proximity of water resources and urban areas (which provide markets and a relatively freer access to industrial inputs) are distinct advantages to some areas and communes. Other similar factors such as weather conditions, population : land ratios and leadership skills, vitally affect development and insofar as these are unevenly distributed, development too will be uneven. Regions and communes with

more favourable conditions of this sort will be in a position to earn more and invest more and thus become wealthier than others.[9]

From the fragmented data available it can be inferred that this pattern of uneven development between regions and even communes in the same region is increasing. As we have seen, official Chinese policy is not to use its powers of taxation and procurement of agricultural products at Government-fixed prices to redistribute incomes. The stress continues to be on the policy of self-reliance. The rationale given for this is that changing this policy will hinder incentive to undertake labour intensive water conservation and land improvement projects and will breed the psychology of dependence on the state for resources and technical aid.

Thus the centre has deliberately adopted a limited role in equalizing such differences. However, it has taken some important steps toward checking these inequalities. As already pointed out, it gives greater investment and technical aid to backward areas. The Government also encourages equality by insisting that communes "take grain as the base and have all round development". This means that communes (especially

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9. See Benedict Stavis, Making Green Revolution: The Politics of Agricultural Development in China (Ithaca: Cornell University, 1974), pp. 252-259.

those near cities) are not permitted to specialize in high-prized agricultural commodities. At the same time poorer areas are encouraged to diversify their economy by resorting to grain imports. The state also promotes the dispersal of industry so that the benefits of industrialization are more widely distributed. Also, by encouraging the development of machines and technology which is more suited to mountainous terrain the Government has given considerable help to such areas.

But all these measures can only mitigate and not solve the problem of regional inequalities and inequalities between communes. The Chinese consider ideology to be a long-term solution for this problem. Cadres are sent to poor, backward areas and in the 'spirit of Tachai' they try to develop new ideas for economic development and increase enthusiasm for labour intensive construction projects. But, finally the problem will have to be tackled by the use of more mundane methods such as tax differentials and greater allotment of state aid to poor areas and communes.[10]

(2) Inequalities within the village and between the production units within each commune

The inequalities between individual families within production units are caused by factors such as the quality and quantity of the work they contribute to collective fields and enterprises. Those households which have many labourers and

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10. Ibid., p. 258.

fewer mouths to feed have a relatively higher income per person. But as Marc Blecher has pointed out this is essentially a function of stage of life cycle and "the effects on individual households of inequality resulting from hand : mouth ratios will even out over time as most households' ratios change over the years and their incomes move up and down the income distribution as a consequence".[11]

But there are other inequalities between families resulting from factors such as more diligent and enterprising use of private plots and households sideline activities and outside income from a member of the family who works in the city or who being a qualified technician or offical earns a higher salary. These factors create considerable differences between individual households within each team and between teams themselves and this is reflected in their level of consumption and savings. (These differences are even greater if one compares incomes region-wise).

However, the production unit grants money and food as welfare and by rationing grain it tries to limit over-consumption by poorer families.[12] Also inequalities are moderated to some extent because all members of a production unit can obtain

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11. Marc Blecher, "Income Distribution in Small Rural Chinese Communities", The China Quarterly, no.68 (December 1976), p. 815.

12. Martin King Whyte, "Inequality and Stratification in China", The China Quarterly, no.64 (December 1975), p. 689.

some benefit from increased production as this raises the value of each work point. Since the means of production are collectively owned, a small number of people do not monopolize the benefits of modern techniques because of their larger land holdings and relatively freer access to modern ideas, inputs and credit. In this way present inequalities do not lead to greater inequalities in the future because no family can save and invest in more land or machinery and thereby expand its income further.[13]

The wide range of services offered by the commune- health, education and welfare - also mitigates inequalities within the village. Thus, by increasing the scope of commune enterprises since the Cultural Revolution the profits of such enterprises have enabled communes to provide more services to all its constituent teams. (But while this results in increasing equalities within the commune, it may have contributed to increasing inequalities between communes).[14]

However, the advantages of present wealth are considerable and China has by no means done away with social stratification.[15] For example, it is still considered necessary to attach stigma to descent from old privileged classes and officials and other privileged groups are known

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13. Stavis, n.9, p. 261.

14. Stavis, n.9, p. 257.

15. See Whyte, n. 12, p. 257.

to use their influence to get their children admitted "through the back door" to universities and positions of power. But great efforts have been made through the use of techniques such as open-door rectification, sending urban youths to the countryside and discrimination in favour of poorer sections of the population in appointments to posts and admissions to universities in order to reduce transmission of privilege and wealth from the present to the next generation.

One important method of reducing inequalities within the commune would be to make the brigade the basic level as this would eliminate differences between the production teams. The fact that the model agricultural production units are brigades (viz., Tachai and Shengshih, both of which are brigades and the basic level of ownership within their communes) indicates that the Chinese leadership desires the adoption of the brigade as the basic level by other communes in the future. But since the Great Leap the state has refrained from interfering in rural organization. For instance, as noted in the previous chapter the Tachai system of incentives has not been imposed on other rural production units. Instead the state has relied on propagandizing such models and left it to the localities to decide whether they are prepared to adopt more egalitarian features.

The present Chinese approach toward reducing inequalities within a commune is summarized in an article in the journal China Reconstructs:

> (The commune's 146 teams) have seen tremendous changes in these 15 years. But development has been uneven and there are still differences between richer and poorer teams ... In the present stage of the people's communes, with "ownership at three levels and ownership by the production team as the basic form", such differences have to be recognized and, at the same time, gradually reduced. This is done not by material transfers from the richer to the poorer teams but by strengthening leadership, improving the work and mobilizing the masses of the poorer teams to change their own position. Meanwhile, the brigade and the commune also give suitable economic help to poorer teams to develop production. In this way gaps between the production levels of various teams are gradually reduced and their conditions become more even. (16)

Finally, as Martin King Whyte has pointed out, "...the distinctiveness of Chinese egalitarianism is to be found not so much in its reduction or elimination of differences in income, power and educational skills, although some of this has occurred, but in the attempt to mute the consequences, in terms of matters like life styles, consumption patterns and inter-personal difference, of the inequalities that do exist". Measures such as abolition of ranks in the army, participation of bureaucrats and intellectuals in manual labour in May 7 schools, open-door rectification, homogenization of consumption patterns and life styles are examples

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16. "In the Communes - Ownership on Three Levels", China Reconstructs, January 1974, p. 38.

17. Whyte, n. 12, p. 695. Emphasis added.

of this effort to minimize the social antagonisms generated by inequalities and "blunt the subjective impact which existing inequalties might have on the initiative and dedication of the have nots in whose name the revolution was fought".[18]

Thus both ideological methods and economic and welfare policies are used to limit inequality and its psychological consequences. The Chinese would be the first to admit that they have a long way to go before inequalities are totally eliminated. But the absence of the extreme disparities and acute poverty of pre-Liberation days and the political dangers attached to publicly indulging in conspicuous consumption are no mean achievements for a culturally and economically backward country like China.

(3) The growth of a "cellular economy"

This aspect of China's economic model has attracted a great deal of attention among China scholars ever since Audrey Donnithorne published her seminal article, "China's Cellular Economy: Some Economic Trends Since the Cultural Revolution", in 1972.[19] Donnithorne's thesis is that as a result of the GPCR "forces, already strong, which encouraged individual localities and enterprises on self-sufficient

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18. Ibid.

19. Audrey Donnithorne, "China's Cellular Economy: Some Economic Trends Since the Cultural Revolution", The China Quarterly, no.52 (October-December 1972), pp. 605-619.

autonomous lines have received a new accession of strength".[20] This means that the "country seems composed of a myriad of small discrete units".[21] But Donnithorne herself qualified this by adding that "there are at work technical forces which .... ought to be breaking down this cellular arrangement".[22]

The Maoists' emphasis on decentralization and the practice of self sufficiency and self-reliance by various production units (which they prefer to the growth of a bureaucratic and centralized system after the Soviet model) is the root cause of this phenomenon. Production units are encouraged not to rely on state investment but use their own labour and material resources, and the various regions are expected to become self-sufficient by "building a small but complete local industrial system" by self-reliance. Most communes are also expected to be self-sufficient in agricultural products. This is done by asking them to be self-sufficient in grain and diversify their economies by producing commodities they do not normally produce.

These tendencies predate the Cultural Revolution and as we have seen in the previous chapter the Maoists had proposed more rational allocation and exploitation of resources and

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20. Ibid., p. 605.

21. Ibid.

22. Ibid.

organization of trade. As Donnithorne points out," the disadvantages of local self-sufficiency arise from the neglect of the principle of comparative costs, of economies of scale and of benefits from specialization and division of labour".[23] From the Maoist point of view, the advantages of such a system are maximization of local initiative, administrative convenience, transport economies, and dispersal of industry as a means of more effectively defending China in case of a war.

There are strong points in favour of both cases and the Chinese at least for the present have decided in favour of the Maoist line. It may lead to greater regional inequalities (but this, as we have seen, is to some extent checked by greater investment in backward areas) and in the long run a reduction in the potential national income of China. But there is no reason to believe that the Chinese planners are not aware of these problems. In fact, as Donnithorne herself acknowledged, coordination with regard to production and marketing between small units has been provided by commercial departments at different levels of administration.[24] And there is also a great degree of coordination and planning by the controlling local authorities within relatively small units, mainly hsien and municipalities.[25] Further, by orienting local industries to coordinate their pattern of production with specific heavy industry projects the cellularity of the

23. Ibid., p. 612.

24. Ibid., p. 614.

25. Ibid., p. 615.

Chinese economy is to some extent checked.[26]

Finally, Nicholas R.Lardy has argued that while there has been decentralization of a great deal of day-to-day administrative control of industrial enterprises to lower levels, the Chinese have retained a highly centralized system of controlling major resource allocation decisions.[27] One example of this is the high rate of state investment in industrially backward regions.

(4) The problem of controlling elites and maintaining a high standard of technical expertize

In all systems industrialization and development of sophisticated modern techniques is accompanied by the growth of state or bureaucratic power and elites. As Michel Oksenberg has noted, Mao and his allies were groping towards a synthesis of the apparently irreconcilable conflicts of the modern age - between egalitarianism and industrialization, freedom and bureaucracy, participation and order.[28]

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26. Jon Sigurdson, "Rural Industry and the Internal Transfer of Technology", in Stuart R. Schram (ed.), Authority, Participation and Cultural Change in China (Cambridge: Cambridge University Press), p. 218.

27. Lardy, n. 8, p. 352.

28. Michel C. Oksenberg, "Policy Making Under Mao, 1949-68: An Overview" in John M.H. Lindbeck (ed.), China: Management of a Revolutionary Society (London: George Allen and Unwin Ltd., 1972), p. 83.

Thus a quantitative expansion and decentralization of education and health services may have been at the expense of developing a higher degree of expertise in these fields. The Maoists may be said to have taken a calculated risk by spreading out resources and skills in this way at the expense of a more vigorous development of core technical expertize and scientific research. For example, the sending of agricultural scientists to the countryside has certain advantages. They can know more about the concrete realities of agriculture and can advise those directly responsible for production. Thus most communes maintain agricultural research centers and with a combination of local and external skills new varieties and practices and seed breeding have been evolved which enables the commune to translate rapidly into actual production the findings of agricultural research.[29]

On the other hand, if basic agricultural science is neglected these advantages will be nullified because the changes that permit high yields (more fertilizer and high-yielding varieties) also make agriculture more susceptible to drought, pests, and disease.[30] It is imperative, therefore, that basic research in these fields is not impaired. There is not enough evidence on which to generalize about how the Chinese are trying to solve such problems, but the contradiction between the need to strengthen and at the same time 'ruralize'

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29. See Ward Morehouse, "Notes on Hua-tung Commune", The China Quarterly no. 67 (September 1976), pp.582-596.

30. See Stavis, n.9, p. 264.

services is a basic contradiction of the Maoist developmental model.

After visiting a number of Chinese universities in 1974, Jan. S. Prybyla has commented that these centers of higher learning have been reduced "to the status of denominational trade schools".[31] "I saw", he reports, "little evidence of classroom activity on most campuses I visited. There were people busy in laboratories and college workshops, but they, apparently, were regular workers for the most part, earning a part of the universities' keep. I had the impression of paralysis .....".[32]

On the other hand, John Gardner and Wilt Idema have argued "that the 'conventional wisdom' concerning education, with its stress on the exclusive importance of an intellectual elite has been subject to much well-informed criticism in the West in recent years, as applied both to developed and developing countries".[33] The democratization of the Chinese educational system and the attempt to correlate it with the needs of the economy is not so disastrous, they argue, because the role of university-educated scientists in economic development and industrial efficiencies has been exaggerated. They have cited a study of technological innovation in British

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31. Jan S. Prybyla, "Notes on Chinese Higher Education: 1974", The China Quarterly no. 62 (June 1975), p. 295.

32. Ibid., p. 296.

33. John Gardner and Wilt Idema, "China's Educational Revolution", in Schram (ed.), n. 26, p. 286.

industry whose authors were "struck by the frequent and real importance of the Higher National Certificate type of qualification".[34] The holders of this certificate are not even classed officially as "qualified manpower" in Britain, but their training - with the emphasis on combining theory with practice - bears close resemblences to that given to students in Chinese universities.

There is reason, therefore, for both pessimism and optimism about the Chinese educational experiment. For the present, from the point of view of developmental strategy, by making education practice oriented and as far as possible universal, the Chinese may well have avoided the problems of unemployed educated youth which may be found in many developing countries. Also by disseminating knowledge to such an extent that peasants see the results of technical innovations in their own locality, China's 'ruralized' education has permitted mass participation in economic development.

In a report on the finding of two American delegations consisting of agricultural experts, Dwight H. Perkins has described how by a scientific application of inputs, phased mechanization, improved plants and plant sciences, and management of water resources China has achieved a healthy agricultural growth rate inspite of heavy odds and natural constraints such as a large population and limited arable land.[35]

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34. Ibid.

35. Dwight H. Perkins, "A Conference on Agriculture", The China Quarterly, no.67 (September 1976), pp. 596-610.

Such a success in integrated rural development would not have been possible without ruralization of education, and in general, the orientation of the economy and economic policy towards strengthening and developing rural organization and the commune system in particular. As Perkins points out: "There are many factors behind the Chinese achievement but part of the explanation lies in the fact that rural organization based on the commune, with the production team as the accounting unit, encourages the efficient use of inputs and rapid introduction of new technology once it is discovered".[36]

The difficult task of making the vast majority of the Chinese population see themselves as part of a collective and a nation, and thus be prepared to sacrifice self-interest in order to "serve the people and continue the revolution" is the task the CCP has sought to accomplish. For this it has evolved an economic model and a political style that ensures the maximum possible distribution of wealth and economic power and the feeling among the masses that the system really represents them and serves their interests and not those of a few.

Richard Pfeffer has compared a social system to a gigantic rocket moving towards space. Thus, "To deflect the rocket even a limited degree from its trajectory requires a tremendous amount of energy. Similarly, to modify, not to

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36. Ibid., p. 608.

mention to completely transform, societal practices and values requires incredible and repeated effort, as past events in China and elsewhere have shown. Yet, like the rocket, limited but qualitative changes today can so affect the direction of societal momentum over time that the future 'destination' of the society will be quite altered by the change".[37]

The Great Leap and the Cultural Revolution from which the present Chinese social, economic and political systems have emerged were precisely such efforts. While equilibrium was restored after both these movements the new situation was not the same as before these experiments. The GLF threw up the commune system which provided the organizational framework for labour intensive construction and farming practices, the development of an intermediate technology by mobilizing local resources, and decentralization in the creation and location of industries. In the consolidation which followed the GLF many of these aspects of the communes system were muted, but heavy industry was effectively oriented towards agricultural development and the production team was found to be the appropriate level for maintaining incentives and increasing production. Thus the level of the collective ownership and management reverted to the pre-GLF pattern, but new features had been added. The Cultural Revolution then strengthened the commune system by giving it more powers and resources for

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37. Richard M. Pfeffer, "Serving the People and Continuing the Revolution", The China Quarterly, no.52 (October-December 1972), p. 635.

promoting local industry and technical innovations in agriculture. Here again there were continuities with the earlier period: the three level system of ownership and the 'agriculture first' policies were retained. But at the same time, what the Chinese refer to as "new things" were also added - the open-door rectification process, the creation of May 7 cadre schools, the transformation of the educational system and direct mass representation in the revolutionary committees.

We have described some of the problems entailed by these "new things" and the Maoist economic model as a whole. Great as these problems are, over the last two and a half decades China has shown that planned socio-economic change is possible and that the problem of poverty and degradation of the masses in a pre-industrial and culturally backward society can be solved if the people have a sense of purpose. This sense of purpose can only exist if the people are animated by a set of social goals and a pattern of social practice in which the discrepancy between the promised ideal and actual reality is not so great as to make any act of sacrifice on their part a hollow exercise in idealism.

The Chinese model cannot be mechanically adopted by other countries because it is firmly anchored in Chinese conditions and Marxist-Leninist ideology. But some aspects of Chinese rural organization and the supportive economic model are relevant to all developing countries which wish to modernize their agrarian economies and bring about a more equitable social order.

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