

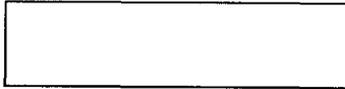


E-ASIA
university of oregon libraries

<http://e-asia.uoregon.edu>

APPROVED FOR RELEASE
DATE: MAY 2007

~~SECRET~~



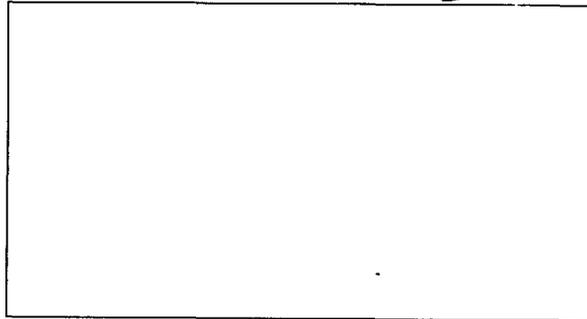
17 July 1959



OCI No. 3654/59
Copy No.

32

CURRENT INTELLIGENCE STAFF STUDY
ORIGINS OF THE CHINESE "COMMUNE" PROGRAM
(Reference Title: ESAW II-59)



Office of Current Intelligence
CENTRAL INTELLIGENCE AGENCY

~~THIS MATERIAL CONTAINS INFORMATION AFFECT-
ING THE NATIONAL DEFENSE OF THE UNITED STATES
WITHIN THE MEANING OF THE ESPIONAGE LAWS,
TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMIS-
SION OR REVELATION OF WHICH IN ANY MANNER TO
AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.~~

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

OCI No. 3654/59
Copy No.

SINO-SOVIET BLOC AREA
OFFICE OF CURRENT INTELLIGENCE
Reference Title: ESAU II-59

CURRENT INTELLIGENCE STAFF STUDY

Origins of the Chinese "Commune" Program

This study is a working paper, reflecting information received through June 1959. Like ESAU I-59, it will later be refined to serve as a chapter in a comprehensive account of the "commune" program.

This paper has not been coordinated outside OCI. The ESAU group would welcome either written or oral comment, addressed to Philip L. Bridgham,

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

Summary

The central problem of the period preceding the Chinese Communist leadership's decision to undertake the "commune" program was the need to devise a program of economic development adapted to China's specific conditions. These conditions included a huge and rapidly growing population--largely illiterate and untrained--and a backward, underdeveloped economy. The commune emerged as the by-product of a protracted and tortuous process of discovering a distinctive Chinese road of "socialist construction."

In the winter of 1955-56, the publication of the Draft 12-Year Program for Agriculture and an ensuing 12-Year Plan for Science signaled the beginning of the long march toward the goal of a prosperous and powerful socialist society by 1967, the final year of the Third Five-Year Plan. In order to fulfill Mao's pledge of a tremendous expansion of production following the large-scale collectivization of agriculture, a massive investment and construction program was carried out in the countryside in the first half of 1956, but the promised substantial increment in agricultural production and peasant consumption following collectivization did not materialize.

The immediate reaction was a change of course at the November 1956 plenary session of the party central committee. At this time a policy of "suitable retrenchment" in economic development was adopted, a major feature of this being an increased emphasis on material incentives as a means of raising agricultural output. A more significant development, however, was the initiation of a process of agonizing reappraisal of fundamental policies, as revealed in Mao Tse-tung's speech on "contradictions" delivered in February 1957.

A major purpose of Mao's speech on "contradictions" and the ensuing "rectification" campaign was to unite and mobilize the people of China for the great task of socialist construction. Mao clearly indicated that the solutions of China's economic problems could not be found in the Soviet model of economic development. Foremost among the special Chinese conditions to be kept in mind were China's great population, the predominant role of agriculture in China's economy, and the low level of mechanization which precluded rapid increases

-1-

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

in output. In light of these considerations, Mao advocated greater emphasis on agricultural development, advancing for the first time the distinctive Chinese policy of "simultaneous development of industry and agriculture, while giving priority to heavy industry."

The problems in the agricultural sector in the first half of 1957 were manifold and serious. As noted previously, peasant consumption and living standards had not risen following collectivization. Many of the collectives encountered difficulty in implementing the socialist principle of distribution "according to work." The larger scale of operation and the complexities of economic work exceeded the abilities of the rural cadres; this in turn occasioned suspicion and jealousies between the villages in the enlarged cooperatives. The upshot was a wholesale dissolution of the large cooperatives. The headlong retreat on the agricultural front in mid-1957 called into question the viability not only of the 12-Year Agricultural Program, but also the larger program of socialist industrialization and socialist construction.

The situation which confronted the Chinese Communist leadership as it met in the central committee plenum of September-October 1957 was far from promising. Two of Mao's major domestic policies of the preceding 18 months were in disrepute. The proposed answer to China's agricultural problem--the Draft 12-Year Agricultural Program and the rapid creation of large-scale collective farms as the means for implementing this program--had failed to provide either the promised increments in production or a stable organizational form in the countryside. Moreover, the program adopted in November 1956 of providing greater material incentives to China's peasants was not proving any more effective in raising either agricultural output or peasant consumption. Faced with a rapidly growing population, with relative stagnation in food production, with dwindling food reserves, with a disaffected intellectual class, and with mounting dissatisfaction among the peasants and rural cadres, the leadership reacted by adopting a series of radical measures designed to transform and develop at a revolutionary pace the recalcitrant human and material resources at their disposal. In effect, this party conference in the autumn of 1957 adopted a new, distinctive course of socialist construction for Communist China.

In this new approach to economic development, rapid growth of the agricultural sector was considered indispensable

~~SECRET~~

~~SECRET~~

for achieving agricultural mechanization and socialist industrialization. This was the import of the slogan which elevated agriculture to a level of importance almost equal to that of industry and which was widely publicized for the first time in the fall of 1957: "simultaneous development of industry and agriculture, while giving priority to heavy industry." In order to translate this policy into a practical program, the conference reassessed the relative importance and potential contribution of machinery and human labor in agricultural production and construction and concluded that proper organization of labor power was the key to China's agricultural development. Immediately following this party conclave, a peasant labor army of some 100 million was organized to undertake a gigantic program of water-conservancy construction and fertilizer accumulation which would dwarf all such previous efforts in the countryside.

It is almost impossible to exaggerate the importance of this decision--the decision to exploit to the fullest the economic factor of labor power--in the evolution of the two fundamental programs which were to dominate the Chinese scene in 1958; the "great leap forward" and the "commune" movement. The underlying premise was simple--that the solution to the problem of economic development lay in the massive and intensive application of China's abundant labor supply. Moreover, this greatly augmented labor effort would have to be secured without resort to material incentives, a policy which had already been tried and found wanting and which in any case was ruled out in order to maximize savings and investment for future growth. Given these conditions, it became imperative to devise a mechanism through which the party could most effectively mobilize and control the rural labor force and at the same time restrict consumption--a mechanism which was to appear in time in the form of the people's commune.

The immediate problem in the final months of 1957, however, was to formulate a whole new set of psychological and moral incentives which would take the place of material incentives in mobilizing popular energies and labor enthusiasm among the people. An early example was the slogan: "Catch up with and outstrip Great Britain in 15 years." A less obvious manifestation of this new type of incentive was the concept of the "leap forward" itself. At this stage these were widespread doubts, bred by the experience of the preceding

-iii-

~~SECRET~~

~~SECRET~~

18 months and extending into the higher echelons of the leadership, whether China could sustain any more than a slow, painful rate of growth in economic development. Mao's confident assertion at the party plenum that China could build socialism at a rapid tempo, as expressed in the slogan "Greater, faster, better, and cheaper" (in which the operative word was "faster"), must have provided a tonic to the flagging spirits of the party and populace. It is significant that the "faster" development policy was conceived as the only course open to the Chinese if they were to achieve socialism.

The third and final incentive was the electrifying vision of a Communist society which the leadership was to hold before the people as the ultimate and not far distant goal of their bitter struggle. The inspiration for this bold, calculated propaganda campaign came from the Moscow conference of Communist parties in November 1957, at which time Khrushchev announced the entry of the Soviet Union into "a new stage of its historical development." He also asserted at this time, in language which the Chinese Communists would incorporate almost verbatim into the August 1958 party resolution announcing the establishment of communes, that "Communism is no longer a matter of the distant future."

Moreover, the joint declaration of policy signed by the Communist parties of the bloc had important implications for subsequent developments in Communist China. That is, the propositions advanced in this document to guide the development of the international Communist movement were so nebulous that widely divergent interpretations were possible. This is precisely what was to happen a year later when the Sino-Soviet dispute over the commune program was to erupt into public discussion, with both parties citing the Moscow Declaration in support of diametrically opposed positions.

It is reasonable to conclude that Mao viewed Khrushchev's speech as a sanction for exploring the road leading to a Communist society in China and the Moscow Declaration as a mandate for undertaking a distinctive program of socialist construction adapted to the national characteristics of China and incorporating such unusual "forms and methods of building socialism" as the people's commune. In little more than a month after the Moscow Conference, the Chinese Communist party newspaper in a keynote New Year's Day editorial laid out for the first time a timetable for the transition to a Communist society in China.

~~SECRET~~

~~SECRET~~

The New Year's Day editorial of People's Daily foreshadowed a number of the developments of 1958. In particular, it revealed the Chinese intention to follow the precedent established by Stalin in 1936 by claiming the "basic" completion of socialist construction despite a relatively low level of economic development. It also provided an early example of the amalgamation of socialism and Communism into a single "great ideal"--a blurring of these two separate historical stages which was to be an area of contention in the Sino-Soviet dispute over communes.

The first steps toward the realization of this "great ideal" were taken at a secret party conference held at Nanning in mid-January, the first of three top-level Chinese Communist party conferences which were to dominate policy during the first six months of 1958. Mao at this time advanced the concept of "uninterrupted revolution" as a theoretical justification of the accelerated tempo of socialist construction in Communist China, and he cited the need to combat the "rightist" conservatism existing in the minds of a number of party comrades. But more was needed to step up the pace than merely theoretical expositions and admonitions. This was provided by Mao at Nanning in a 14-point program for agricultural development--a program which he epitomized in the slogan "three years of bitter struggle to basically change the appearance of the countryside." Again, the key to success in this forced-draft program was the massive and intensive application of peasant labor power.

Mao at Nanning apparently presaged another major policy decision which was not to be formally approved until the Chengtu party conference in March: the adoption of a mass line for industrial development which enlarged tremendously the scope and objectives of the local industry program. No longer considered a mere adjunct to the agricultural sector, this undertaking to construct thousands of small-scale industrial installations in rural areas was hailed as a major means of accelerating socialist industrialization for the economy as a whole and as a distinctive feature of China's program of socialist construction. Of even greater significance, it was decided at Chengtu to transform the program into a mass campaign which would penetrate beyond local levels of government to exploit the underemployed labor force of the agricultural producer cooperative. The decision at the September 1957 plenum of the central committee to organize a huge peasant

-v-

~~SECRET~~

~~SECRET~~

labor army to engage in agricultural production and construction, and this decision at Chengtu to initiate a mass movement in rural industrial construction, appear to have led into the decision to establish communes.

Thus it was becoming increasingly clear that the Chinese Communists intended to exploit the ideal of a future Communist society in China by directing the fervor aroused by this goal into an immediate program of socialist construction conducted at top speed and demanding maximum sacrifice. This was the situation just prior to the convocation of the Chinese Communist leadership at the crucial Chengtu conference in March 1958, the party conclave in which the commune apparently was conceived as the chosen instrument of China's distinctive program of socialist construction.

-vi-

~~SECRET~~

~~SECRET~~

Introduction

The first sentence of the August 1958 central committee resolution on establishing communes in Communist China described their formation as "the logical result of the march of events." Stripped of the Marxian connotation that the communes were the inexorable result of the dialectical process, this statement means simply that the origins of the communes must be traced in the complex of problems confronting the leadership of the Chinese Communist regime and in the policies adopted in response to these problems in the period leading up to the initiation of this radical program.

An intensive review of the record suggests that the central problem of this background period was that of discovering a method of building socialism suited to China's specific conditions--a backward, underdeveloped economy, and a largely illiterate and untrained society, national characteristics which Mao Tse-tung has classified under the terms "poor" and "white."

The review also suggests that the process of discovery began in late 1955 and early 1956, when the rudiments of China's own "general line of socialist construction" first appeared and when one of the major themes underlying the subsequent massive "rectification" campaign--that of mobilizing the energies of the Chinese people for socialist construction--was introduced. In this sense, the Chinese Communist explanation of the communes as an outgrowth of the "general line" and the "rectification" campaign is essentially correct.

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

Although Mao apparently did little more in this unpublished speech than call attention to the existence of a series of problems requiring further study and elucidation, there are indications that the policy of emphasizing construction of small- and medium-size industry was foreshadowed. As such, the report represented the first of a series of departures from the Soviet model of economic development, culminating in the creation and promulgation of a distinctive Chinese "general line of socialist construction" in May 1958.

The transition in Communist China's revolution initiated at the beginning of the year was carried a step further at the eighth party congress in September 1956. It was claimed that the stage of socialist revolution (the substitution of state and collective ownership for private ownership of the means of production) was basically completed and that the current task was to undertake socialist construction, "to build our country as soon as possible into a great socialist country...uniting all forces that can be united..." In contrast with the ebullience and confidence which characterized the speeches of Mao at the beginning of the year, however, the tone of the reports at the party congress was one of caution and indecisiveness. For the first time, "leftist" adventurism was attacked as a deviation which had appeared in the course of socialist construction--specifically in the failure to take into account objective conditions, the limitations of resources, and the need to maintain adequate reserves. As a result there had been a tendency to "set too rapid a pace." This tendency was formally recognized at a subsequent plenary session of the central committee when a policy of "suitable retrenchment" was adopted.

In retrospect, it has become increasingly clear that a major consideration prompting this reversal of course was the poor showing in agriculture in 1956. There were abundant reasons why this factor was glossed over at the time. Chairman Mao himself had publicly stated that the upsurge of agricultural cooperativization in late 1955 would result in a great liberation of the productive forces, or, as the Draft 12-Year Agricultural Program put it, in an "immense nationwide expansion of agricultural production.

In order that this production might be realized, an unprecedented program of irrigation and water-conservancy construction was carried out in the winter of 1955-1956. This was followed by a mass movement in the countryside in the first half of 1956 which in many respects was the prototype of the frenetic campaign accompanying the agricultural production upsurge in the spring of 1958. It was a movement based on propagandizing

~~SECRET~~

~~SECRET~~

the Draft 12-Year Program which swept the great majority of peasants into advanced agricultural cooperatives (collective farms) ranging in size from 10 to 30 times larger than the lower stage, semisocialist cooperative of the preceding year. To accomplish this revolutionary transformation of rural society, the cadres held forth to the peasants the glowing prospect of fulfillment of the 12-Year Program far ahead of schedule, of the rapid mechanization and electrification of agriculture, of substantial increases in agricultural production, and of a significant increase in the remuneration and consumption of the new collective farm members. In addition, nearly two million modern farm plows were manufactured and rushed to rural areas in the first half of the year as a major start toward the goal of mechanizing agriculture.

What was the net effect of this forced draft program to increase agricultural production rapidly? With respect to the experiment in agricultural mechanization, first of all, it was soon discovered that the plows in many areas were unsuited to the terrain and existing methods of cultivation, and that nearly half of them could not be used. This was a classic illustration of adventurism which was to haunt the Chinese leadership for many months to come. The promised substantial increment in agricultural production following collectivization did not materialize. Claimed output of food crops rose only some 4 percent over the previous year, and even this modest increase is open to doubt. State grain collections fell below the level of the preceding year and, what was more alarming, the exigencies of state grain supply in the first half of 1957 necessitated a substantial reduction of state grain reserves. The party directive that 90 percent of the new collective farm members receive at least as high an income in 1956 as in 1955 meant there was little if any increase in the capital funds available to the agricultural cooperatives for investment purposes.

In light of the above, the party decision to slacken the pace of socialist construction becomes more comprehensible. It should be stressed that this decision was apparently endorsed by all the top leadership, including Chairman Mao, at the November 1956 plenary session of the central committee. It is important to note this because of the concerted effort during the "great leap forward" in 1958 to blame rightist conservatives for slackening the pace of economic development during the "retrenchment" period, which lasted until September 1957, and for the policies of that period.

One of the policy changes which occurred in the fall of 1956 was an increased emphasis on material incentives as a means of

~~SECRET~~

~~SECRET~~

raising agricultural output. It is significant that one of the rare discussions of Khrushchev's 1953 agricultural development program which stressed material incentives appeared in the Chinese Communist party's theoretical journal at this time. In particular, the article hailed Khrushchev's program as having "guiding significance for China," especially its provisions for increasing cash payments to collective farmers. Specific measures designed to implement this new policy of greater material incentives were an enlargement of the peasant's private plot, increases in state procurement prices for agricultural products, the return of hogs to private care, and the inauguration of a so-called "free market" in which the peasant could sell secondary farm produce.

The situation at the close of 1956 could be summarized as follows: although the economy as a whole had experienced a general upsurge during the year, registering impressive gains in both industrial production and capital construction, the anticipated leap forward in agricultural production which was to result from collectivization had not materialized. The implications of this shortfall for the future development of what was an essentially agrarian economy were not lost on the Chinese Communist leadership. In a sense, China's first all-out effort to commence socialist construction had proved to be a false start. It was a time for a reappraisal of fundamental policies, for a new look at basic problems or, to use the term so dear to the hearts of the Chinese Communist ideologues, at basic "contradictions" in the economy and in society.

~~SECRET~~

~~SECRET~~

II. Socialist Construction and "Contradictions" (September 1956-September 1957)

Mao's major address on "contradictions," delivered in February 1957, at first glance appears to have had little direct connection with the undertaking to chart a new course of socialist construction in Communist China. In part occasioned by the outbreak of antiregime violence in Poland and Hungary, the speech sought to demonstrate that similar disturbances could not arise in China, first by admitting the existence of certain basic economic and social problems (contradictions) and then by offering a general prescription for resolving these problems before they assumed critical proportions. A "rectification" campaign was launched shortly thereafter which, in its early stages, was aimed at improving the working style of party cadres and at bettering relations between party members and the masses.

Mao and subsequent commentaries on the report were quite explicit, however, in pointing out that a major purpose of "rectification" was to unite and mobilize the people of China for the great task of socialist construction. In both his February speech and in another delivered in March on the same subject, Mao adopted an optimistic view of the cohesiveness and loyalty of Chinese society on the point of formal entry into a new stage of the revolution. As Lu Ting-i, a spokesman for Mao, put it at the time: "Our country is already a socialist country, classes have been basically eliminated, counterrevolutionary power has basically been wiped out, intellectual elements have undergone ideological remolding, the people of the entire country have been organized." Lu added, again undoubtedly speaking for Mao, that since the two stages of the democratic revolution and the socialist revolution had been completed, it was time to devote full energies to the new stage: "cultural and technical revolution (socialist construction)." It was not until a year later, however--at the May 1958 party congress--that this stage was initiated officially by Liu Shao-chi.

It is important to note the reasons for this hiatus in the timetable of Communist China's revolution. Apparently this interruption of the revolution (to call to mind the theory of "uninterrupted revolution" advanced by Mao in justification of the commune movement in 1958) for more than a year was occasioned by two developments. The first was

~~SECRET~~

~~SECRET~~

the need for time to recover from the damaging "rightist attack" in May 1957 which followed the invitation to non-party people and organizations to participate in the "rectification" movement by criticizing the Communist party and the government. The second was the even longer period of time required to solve the contradiction posed by Mao between "the objective laws of development of socialist economy and our subjective understanding of these laws."

It was for this latter reason that Mao eschewed lengthy discussion of economic questions in his February speech on "contradictions." There were clear indications in his report and in subsequent journal articles, however, that the answer to these questions could not be found in the Soviet model of economic development. In addition to the injunction against mechanical borrowing of Soviet experience, there was a specific directive to keep in mind China's own special conditions when drawing up plans or studying problems. Foremost among these conditions were China's large and rapidly growing population, the predominant role of agriculture in China's economy and the dependence of agricultural production on the vagaries of weather, and the low technical levels (level of mechanization) of production which precluded rapid increases in output.

It was in light of these considerations that Mao in his speech advocated greater emphasis on agricultural development, advancing for the first time--albeit in somewhat tentative form--the distinctive Chinese policy of "simultaneous development of industry and agriculture, while giving priority to heavy industry." In a similar vein, Mao affirmed the policy proposed nearly a year earlier of emphasizing the construction of small and medium industrial enterprises as a means of accelerating the process of industrial development. In short, the speech revealed a new awareness of the gravity of China's population problem when viewed from the existing low levels of production--especially agricultural production--and implied that the solution of this problem in whatever form it might take would require a long time.

On the premise that production could not be expanded rapidly, Mao then turned to the thorny problem of distribution of existing output among China's 600 million people. Although denying that the lot of the peasants was substantially inferior to that of other segments of the population, Mao did concede

~~SECRET~~

~~SECRET~~

that the wages of some workers and government personnel was "rather high," that "the peasants have reason to be dissatisfied with this," and that it was necessary "to make certain appropriate readjustments in the light of specific circumstances." In another section of the speech he emphasized that with respect to every question, including that of distribution, "we must always proceed from the standpoint of overall and all-round consideration for the whole people." With these somewhat bland remarks Mao sanctioned the initiation of a protracted and sometimes acrimonious debate in party journals and newspapers on the sacrosanct socialist law of distribution "according to work"--which was to develop into one of the crucial issues in the Sino-Soviet dispute over communes 18 months later.

Many of the arguments advanced a year later to justify tampering with this law appeared in a discussion in the official Chinese Communist party organ, Study, shortly after Mao's speech in the spring of 1957. Although conceding that the principle of distribution "according to work" was predominant in determining payment to individuals in socialist society, the author stressed that the problem of distribution was very complex and could not be solved by relying on this one law alone. More specifically, he cited a number of precedents in the historical development of the international revolutionary movement to demonstrate that this law had not always been applied in determining payment for government workers. The first example was one of particular relevance to the subject of this paper--the Paris Commune. He then cited the distribution system in effect in the initial stage of the Russian Revolution and in the period of military communism during the revolutionary war in China. In his approach to the problem of payment of government workers in the current period, the author introduced a theme which was to be propagandized to all the people in 1958: the desirability and necessity of inculcating a high degree of Communist consciousness among individuals so that their labor enthusiasm would be animated primarily by this consciousness and only secondarily by considerations of material interest. Thus the policy of stressing material incentives as a means of raising production--a policy which had been adopted at a plenary session of the central committee only a few months earlier--was already coming under attack.

-7-

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

Although it was still too early to evaluate the effectiveness of this policy in solving problems in the agricultural sector, it was becoming increasingly clear that these problems were manifold and serious. In the revised version of his "contradictions" speech published in June 1957, Mao admitted that due to lack of understanding "among some people, a miniature typhoon has whipped up around what they call the coöperatives having no superior qualities." That this was a gross understatement was revealed in other more candid discussions of conditions in rural areas during the spring and summer months of 1957.

One basic difficulty was that peasant consumption and living standards had not risen following collectivization, as had been promised. Journal articles at the time referred to the "unrealistic" expectations and demands of the peasants for improved living conditions and pointed out that marked improvement in the rural standard of living could only come about after the technical reform (mechanization) of agriculture and after socialist industrialization. One can imagine the peasant reaction to this rationalization, which stood in direct opposition to the propaganda line accompanying collectivization in 1956--that agricultural cooperativization (the revolution in production relations) would result in an "immense nationwide expansion of agricultural production" (the liberation of the production forces). Nevertheless, this argument foreshadowed the new "hard" line which was to be adopted in the last months of 1957, a line which called for maximum austerity and sacrifice on the part of the peasants in order to achieve agricultural mechanization and the industrialization of the countryside.

The disappointing harvest in the autumn of 1956 aggravated what would already have been a difficult problem of income distribution to the new collective farm members in the winter and spring of 1957. Since payment in the previous, lower stage, semisocialist cooperative had been largely based on land contributions, and since the land had been distributed on a more or less equal per-capita basis, there had been a marked tendency toward a fairly equal distribution of income. The new system of distribution under the collective, however, was based entirely on the amount of labor contributed--the socialist principle of distribution "according to work." What must have proved to be both perplexing and distressing to the rural cadres was the fact that in so many cases this principle simply

~~SECRET~~

~~SECRET~~

did not work. In some of the reported instances, as many as 30 to 40 percent of the households were classified as "overdraft" or "underdraft," terms which referred respectively to labor-short families which had to be subsidized by the collective in order to receive a subsistence income and to families whose labor contributions exceeded the capacity of the collective to pay according to the set standard. The ramifications of this experience were far-reaching and would appear to constitute one of the major factors shaping the decision in 1958 to move away from the principle of distribution "according to work" toward the principle of distribution "according to need."

There were a number of lesser problems which further detracted from the "superior qualities" of the new cooperatives. The larger scale of operation, the complexities of calculating and recording work points, and the increased demands for book-keeping and record keeping exceeded the abilities of the rural cadres, which in turn occasioned suspicion and jealousies between the villages in the enlarged cooperatives. The upshot was a wholesale dissolution of the large cooperatives which Mao had called for at the outset of collectivization. The example of Honan may be considered fairly typical in this respect. Whereas at the height of cooperatization in 1956 there were some 26,000 collectives in Honan averaging 360 households, the corresponding figures following the dissolution movement in 1957 were some 54,000 collectives and 180 households. This loss of confidence in the "superior qualities" of the large collective continued unchecked until early September 1957, when it was expressed in dramatic form in a central committee directive calling for a nationwide reduction in the size of the collective to a suggested optimum of about 100 households.

The headlong retreat on the agricultural front in mid-1957 called into question the viability not only of the 12-Year Agricultural Program but also the larger program of socialist industrialization and socialist construction in Communist China. These doubts were expressed most effectively in a paper presented to the July session of the National People's Congress by Dr. Ma Yin-chu, a noted Chinese economist and president of Peiping University. The mere fact that the paper, entitled "A New Theory of Population," was publicized at this time is significant. In the course of his discussion, the author clearly implied that he had been constrained from

~~SECRET~~

~~SECRET~~

presenting these views for a period of several years, but that Mao's recognition of the population problem in his "contradictions" speech had restored this formerly forbidden subject to a position of respectability. The burden of his argument was that unless China's population, already excessive and growing at a rapid rate, could be brought under control, it would be difficult if not impossible to extract the necessary amount of savings from current production to industrialize the economy and thus construct a socialist society. To buttress his argument and to forestall the charge that he was propagating the odious Malthusian theory of population, Ma relied heavily on Soviet experiences in building a socialist economy and stressed that the existing low levels of agricultural production in China could only be raised after the mechanization and electrification of agriculture in accordance with the Soviet example. In a concluding section, he touched briefly on the delicate and potentially explosive problem of the relationship between population and food supply in Communist China, pointing out that the average per-capita area of cultivated land had fallen during the period of the First Five-Year Plan.

Although not included in Ma's article, confirmation of the growing pressure of population on food supply at this time was provided by the final figures on state purchases and sales of foodstuffs during the grain year ending in June 1957--figures which showed a substantial reduction in the level of the state's grain reserves over the course of that year. Judging from the results of the summer harvest, there probably was already a growing realization that grain production in 1957 would not increase significantly over that of 1956.

In a sense, Ma Yin-chu presented in extreme form the case of the senior government administrators and economic specialists among the Chinese Communist leadership who had been instrumental in formulating the "retrenchment" policy adopted in November 1956 and who had figured prominently in explaining and implementing this policy in the first six months of 1957. Chief among this group was Chou En-lai, the third-ranking member of the politburo and premier of the People's Republic of China. The senior economic specialist was Chen Yun, fifth-ranking the politburo and senior vice premier of the government, followed by three other politburo members--Li Fu-chun (chairman of the State Planning Commission), Li Hsien-nien (minister of finance), and Po I-po (chairman of the Economic Planning Commission).

~~SECRET~~

~~SECRET~~

Furthermore, it is possible to find certain parallels between the views of this group and those associated with Khrushchev in the recent history of Soviet economic policy. Foremost among these is the apparent predilection for material incentives to elicit higher levels of labor productivity and output; another might be a preference for large-scale industrial installations equipped with modern machinery and utilizing modern techniques in production; a third might be an appreciation of the complexities inherent in the operation and management of a planned economy. In this connection, despite the relatively minor roles assigned the members of this administrator-specialist group in the "great leap forward" and communalization movements which dominated the Chinese economy in 1958, these were the very persons selected to explain and justify these revolutionary programs to the leadership and people of the Soviet Union--a service which they performed in a series of conversations, speeches, and articles from May 1958 to February 1959.

As indicated above, the similarities in the views of such an incongruous group as Ma Yin-chu (who was subsequently branded a "rightist conservative"), Chen Yun, and Khrushchev probably should not be emphasized. It is enough to note that such similarities probably exist and that the new "hard" revolutionary line of economic development adopted by the Chinese Communist leadership in late 1957 constituted a flat repudiation of these views. Let us now examine this new policy which represented a sharp turn to the left in the development of China's own "general line of socialist construction."

~~SECRET~~

~~SECRET~~

III. Socialist Construction, the Second Attempt (September 1957 - December 1957)

The situation which confronted the Chinese Communist leadership as it met in the central committee plenum of September-October 1957 was far from promising. Two major domestic policies espoused by Chairman Mao during the preceding 18 months were in disrepute. The proposed answer to China's agricultural problem--the Draft 12-Year Agricultural Program and the rapid creation of large-scale collective farms as the means for implementing the program--had failed to provide either the promised increments in production or a stable organizational form in the countryside. Mao's original conception of the "rectification" movement as a means of improving the "work style" of party members, who would thus be better equipped to lead a united and dedicated people in constructing a socialist society, had been blasted by the "rightist" attack on the party and government in May 1957. Moreover, the program adopted in November 1956 of providing greater material incentives to the peasants was not proving any more effective in raising either agricultural output or peasant consumption. Faced with a rapidly growing population, with relative stagnation in food production, with dwindling food reserves, with a disaffected intellectual class, and with mounting dissatisfaction among the peasants and rural cadres, the leaders reacted by adopting a series of radical measures designed to transform and develop at a revolutionary pace the recalcitrant human and material resources at their disposal.

The first measure was to extend the "rectification" campaign, now merged with the "antirightist struggle," to encompass all the people. The peasants and cadres in rural areas were a primary target of this expanded campaign, which would serve both to silence criticism and suppress doubts and at the same time incite a great new effort of construction and production in the countryside. In order to prosecute the campaign at the desired tempo and degree of intensity, it was necessary to admit that Mao had erred in his earlier analysis that classes had been basically eliminated from China's society and that as a result the socialist revolution had been completed. The socialist revolution was resurrected and described as having entered a new stage of "political and ideological" revolution.

~~SECRET~~

~~SECRET~~

The concept of class struggle was revived and identified as the "main contradiction" which would endure throughout the entire period of transition to socialism, thus enabling the party to brand all critics and criticism of the regime as capitalists or bourgeois inspired. In another reversal of Mao's earlier judgement that intellectual elements had completed "ideological remoulding," the plenum more or less abandoned the attempt to convert existing intellectuals--who were consigned to the ranks of the bourgeoisie--in favor of a drive to foster a new group of intellectuals drawn from the proletariat. This drive was subsequently referred to as the movement to train cadres who were both "red and expert." This in turn was closely linked with the "back-to-the-farm" drive, also decided at this plenum, which was to send over a million cadres and many of the intellectual class to rural areas to participate in the agricultural construction program.

Even the favored urban working class was included in the expanded "rectification" movement. The objective here was to promote a new "rational, low-wage policy" designed to narrow the sizable gap between urban and rural living standards and to strengthen the worker-peasant alliance. In a revealing editorial comment on this decision, People's Daily on 21 November made the following statement: "In our wage policy in the past...we have also overemphasized the importance of material incentives, while inadvisably relaxing our political and ideological work among the workers and employees." The editorial went on--in much the same language employed by Mao in his February "contradictions" speech--to make the following assertions: (1) that the problem of distribution must be approached "from the standpoint of 600 million people"; and (2) that policy decisions must be made "in accordance with the actual conditions of our country, which has a large population and is basically poor and whose production level is still rather low." It was but a short step from this position to the view which was soon to appear in the party journal that the sacrosanct socialist principle of distribution "according to work" must yield to the primary consideration of guaranteeing an adequate livelihood for all.

It should be emphasized that the basic decisions to redefine and expand "rectification" on a nationwide scale were taken prior to the party plenum and in all likelihood

-13-

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

on the initiative of Chairman Mao himself. Indeed, Teng Hsiao-ping, member of the politburo Standing Committee and chief of the party's secretariat, indicated as much in his report on "rectification" to the plenum, citing the occasion as a party conference held in July 1957. At this time, according to Teng, "Comrade Mao presented an over-all appraisal of the nature and status of the "rectification" movement and the antirightist struggle and offered clear-cut principles for the development of the movement." Granting this, it is instructive to note the extent to which Mao felt compelled and was willing to go in conceding the errors of judgments made in his speech on "contradictions" in February--mistakes which were carefully excised from the published version of the speech released in June. In referring to a complex of views, nearly all of which can be fairly ascribed to Mao in only slightly different form in the unpublished version of his speech, Teng Hsiao-ping was authorized to make the following statement: "In the party there have also existed for some time the serious rightist views that the struggle between the two roads in the rural areas had been completed, that the class line should not be arbitrarily emphasized, that efforts should be devoted solely to production, and that socialist education among the peasants might be slackened." (Underling supplied). In this case, of course, Mao's retreat was facilitated by his ability to dissociate himself from previously held but unpublicized positions.

"Rectification" conceived as a means of isolating and suppressing dissident elements in the countryside was only a start. The more basic and difficult task was to devise a new approach to the problem of agricultural development--a new program which would be both feasible and capable of instilling a much-needed revolutionary elan among rural cadres and the peasantry. For this purpose, the Draft 12-Year Agricultural Program, first formulated in January 1956, was reintroduced to the September 1957 plenum by Tan Chen-lin, who in 1958 was to become the regime's chief spokesman on agricultural policy and the communes. The general tone of this document was cautious, even defensive, no doubt reflecting the conspicuous lack of progress toward achieving the program's goals in the 18 months since initial publication. To cite but one example, the program specified that "birth control and planned parenthood should be propagated and encouraged." There were, however, indications that the somewhat jaded provisions of the program were to be

~~SECRET~~

~~SECRET~~

implemented by strikingly different means than those previously employed--indications which were revealed in the new emphasis attached to the "abundant labor force in the countryside" and in the call for "an agricultural mechanization program adapted to the conditions of our country."

Although Mao's "summary speech" to this party plenum was not and still has not been published, Chinese Communist spokesmen have since indicated that his remarks were largely concerned with charting a new course of socialist construction for Communist China--a course in which rapid development of the agricultural sector was considered indispensable for achieving agricultural mechanization and socialist industrialization. This was the import of the slogan which elevated agriculture to a level of importance almost co-equal to that of industry and which was widely publicized for the first time in the fall of 1957: "simultaneous development of industry and agriculture, while giving priority to heavy industry." It was in support of this policy that Teng Hsiao-ping in his published speech to the plenum called for a re-direction of the party's energies from the industrial to the agricultural front and for a campaign which would "emphatically publicize the importance of developing agriculture." In order to translate this policy into a practical program, the regime took a new hard look at the relative importance and potential contribution of machinery and human labor in China's agricultural production and construction. Since the Chinese Communists were to cite this new approach to agricultural mechanization and socialist industrialization as the major stimulus for establishing subsequently the communes, it is important at this time to trace the origins of this new policy in the proceedings of the party plenum.

Fortunately, the substance of the unpublished discussions of this conference may be gleaned from a series of articles and editorials appearing in Study, the party journal, and in People's Daily, the party newspaper, following the close of the plenary session. First, the natural conditions governing economic development in China were identified as a large territory, a large population, a small amount of arable land, and a predominantly agrarian economy. These were contrasted with the corresponding attributes of the Soviet Union, listed as a large territory, a large amount of arable land, a small population and a predominantly industrial economy.

~~SECRET~~

~~SECRET~~

Given these conditions, the only way to achieve substantial increases in China's national income and output was to elevate the productivity of agricultural labor, but the traditional method utilized by the Soviet Union in raising productivity by means of agricultural machinery was not a feasible short-term solution for China. Indeed, the attempt in 1956 to introduce new-type agricultural plows as a modest step toward mechanization of China's agriculture had ended in failure. The conclusion to be drawn from this analysis was clearly stated in a People's Daily editorial of 11 November--shortly after the termination of the plenum:

"It should be pointed out, that, since our country's industry and technology are comparatively backward and within a short period cannot supply agriculture with any large quantities of modern machinery, our agricultural production for a considerable period to come will still have to rely mainly on comparatively simple tools and heavy manual labor. This is an historical phenomenon of our country in the transition to socialism. Our task is to change this phenomenon and to change our country into a great, modernized agricultural country. In other words, in the future we will replace the present heavy manual labor by large-scale mechanical power. To reach this goal, the people of the entire country have to strive hard, suffer hardships and endure fatigue, conscientiously perform agricultural manual labor, elevate labor productivity, and increase the volume of agricultural production."

Other articles developed the theme that China's abundant labor supply was unique among socialist countries and stressed that proper organization of labor was the key to agricultural development. Huang Ching (since deceased), minister of machine building and a leading spokesman for this new approach to agricultural development, expressed the idea succinctly in a November article citing Mao's speech at the party plenum as a text. "We must have a new approach to the problem of agricultural population and mechanization. The basic problem in the countryside today is the problem of unevenness in the utilization of labor between the busy and slack seasons." And to demonstrate that this leitmotif of the plenary session had passed beyond the stage of academic discussion, a peasant labor army some 100 million strong was already being organized

~~SECRET~~

~~SECRET~~

to undertake during the slack winter season a gigantic program of water-conservancy construction and fertilizer accumulation which would dwarf all such previous efforts in the countryside.

It is almost impossible to exaggerate the importance of this decision to exploit to the fullest possible extent the economic factor of labor power in the evolution of the two fundamental programs which would dominate the Chinese scene in 1958; the "great leap forward" in economic development and the commune movement. The underlying premise was a simple one--that the solution to the problem of economic development lay in the massive and intensive application of China's abundant labor supply; or, to employ the jargon of the Chinese Communist leadership, in the application of the "mass line," which had proved so successful in the revolutionary struggle for power, to the infinitely more complicated process of socialist construction. Moreover, this tremendously augmented labor effort would have to be secured without resort to material incentives--a policy which had already been tried and found wanting and which, in any case, was ruled out in order to maximize savings and investment for future growth. Given these conditions, it became imperative to devise a mechanism through which the party could most effectively mobilize and control the rural labor force and at the same time restrict consumption; this mechanism would in time appear as the people's commune.

The immediate problem in the final months of 1957, however, was to formulate a whole new set of psychological and moral incentives to take the place of material incentives in mobilizing popular energies and maximum labor enthusiasm among the people. An early, obvious example of this new type of incentive appearing in November was the slogan: "Catch up with and outstrip Great Britain in 15 years." This widely publicized slogan served both to exploit the hated image of China's traditional imperialist foe and to hold forth an inspiring and not too distant goal.

A less obvious but more significant manifestation of this new type of incentive was the concept of the "leap forward" itself. At this stage there were widespread doubts, bred by the experience of the preceding

~~SECRET~~

~~SECRET~~

18 months and extending into the higher echelons of the leadership, whether China could sustain any more than a slow, painful rate of growth in economic development. Mao's confident assertion at the party plenum that China could build socialism at a rapid tempo, as expressed in the slogan "Greater, faster, better, and cheaper, (in which the operative word was "faster"), must have provided a tonic to the flagging spirits of the party and populace. Subsequent events were to demonstrate the intoxicating effect of this slogan upon large segments of the party, appearing first in a frantic competition to raise 1958 plan goals in industry and agriculture and resulting finally in the telescoping of the entire historical process leading to socialism and then to Communism.

It should be stressed at this point that the "rapid" development policy was conceived not as one of several alternatives, but as the sole course open to the Chinese if they were to achieve socialism. In an authoritative discussion of the new construction policy, an editorial in People's Daily of 12 December 1957 made the following statement:

"We are a country of huge population with relatively scarce arable land, both backward in economy and culture and weak in foundation. To build a powerful socialist material foundation in such a country, catapulting its economic level to that of the advanced nations of the world within several decades and bringing great improvement to the life of the people, we have to hasten the tempo of construction by adopting a policy of industry and thrift in order to move it forward with gigantic and rapid strides. No other paths are open." (underlining supplied)

In a major report at this time on the progress of the "rectification" campaign, Hsi Chung-hsun, secretary general of the State Council, made the same point in strikingly similar language. "Without a number of revolutionary sudden progressions," he said, "it would be impossible to build socialism in China." He went on to give as examples of such "progressions" the nationwide "rectification" campaign and the forthcoming "upsurge" in socialist construction in rural areas.

~~SECRET~~

~~SECRET~~

It is important to note at this early date the firm, almost desperate resolve to "press ahead consistently" in economic development and socialist construction, for this resolve permits one to understand the "sudden, revolutionary progressions" in the development of Communist China's economic, social, and political policies throughout 1958. Furthermore, it is suggested that herein lie the seeds of the daring theoretical innovation advanced by Mao Tse-tung to rationalize and justify the headlong pace towards the goals of socialism and Communism--the theory of "uninterrupted revolution" which would prove so unpalatable to Moscow.

The third and final incentive was the electrifying vision of a Communist society which the leadership was to hold before the people as the ultimate and not far distant goal of their bitter struggle. Although this theme was not widely publicized until the summer months of the following year, it is apparent that the inspiration for this bold, calculated propaganda campaign derived from the international conference of Communist parties which convened in Moscow in November 1957 to celebrate the 40th anniversary of the October Revolution. It was on this occasion that Khrushchev announced the entry of the Soviet Union into a "new stage"--of "favorable conditions...for the transition to a higher stage..." He also asserted at this time, in language which the Chinese Communist would incorporate almost verbatim into the August 1958 party resolution announcing the establishment of communes, that "Communism is no longer a matter of the distant future." The remainder of his remarks on this subject were vague and perfunctory, hardly substantiating his claim that the Soviet people were "solving the historic task of the transition to Communism." Khrushchev advocated the launching of a campaign to educate the broad masses in the spirit of Communist consciousness and to inculcate a new Communist attitude towards labor. This must have aroused the immediate interest of Mao and the other top Chinese leaders in attendance, for an almost identical campaign was undertaken in Communist China within two months.

Another major document emerging from the Moscow conference with important implications for subsequent developments in Communist China was the joint declaration of policy signed by all Communist parties of the bloc. Although

~~SECRET~~

~~SECRET~~

designed to present a solid facade of unity among bloc parties following the Polish and Hungarian incidents of 1956, the propositions advanced to guide the development of the international Communist movement were so nebulous that widely divergent interpretations of the provisions were possible. Indeed, this is precisely what was to happen a year later when the Sino-Soviet dispute over the commune program was to erupt into public discussion, with both parties citing the Moscow Declaration in support of diametrically opposed positions.

Thus it is reasonable to conclude that Mao viewed Khrushchev's speech as a sanction for exploring the road leading to a Communist society in China and the Moscow Declaration as a mandate for undertaking a distinctive program of socialist construction adapted to the national characteristics of China and incorporating such unusual "forms and methods of building socialism" as the people's commune. Additional confirmation of this conclusion is provided by the fact that almost within a month after the termination of Moscow Conference, the Chinese Communist party newspaper, in a keynote New Year's Day editorial, laid out for the first time a timetable for the transition to a Communist society in China. It is to this new stage in the evolution of the communes in Communist China that we now turn.

~~SECRET~~

~~SECRET~~

**IV. Socialist Construction and the Transition to Communism
(January 1958 - March 1958)**

The New Year's Day editorial of People's Daily ushered in 1958 with a great flourish. After a summary and appraisal of the major developments of the preceding year, the editorial foreshadowed a number of the developments to come. The "rectification" campaign for the first time was firmly linked to China's economic development program; the regime for the first time revealed its determination to promote this latter program at top speed--in other words to "leap forward"--in all branches of the economy; and the Chinese Communists for the first time published a timetable presenting their estimate of the periods of time required to complete the transition not only to a socialist society but also to a Communist society.

Since the time factor is crucial in interpreting the plans and expectations of the Chinese Communist leadership throughout 1958, it is necessary to present the following lengthy extract from this editorial bearing on the transitions to socialism and Communism:

"The completion of the First Five-Year Plan is only the first step in the long march to build our country into a powerful socialist country. Counting from the present, it still requires 10 to 15 years to establish a modern industrial base and a modern agricultural base in our country. Only after 10 to 15 years of comparatively adequate development of our social productive forces, can we consider that our socialist economic system and political system has a comparatively adequate material base (at present this base is far from adequate) and that our state (the superstructure) is sufficiently consolidated. Only then can we consider that we have basically completed construction of a socialist society. Within a period of approximately 15 years, we shall catch up with and surpass Great Britain in the output of iron and steel and other major industrial products. After that, it will still be necessary to develop further our productive forces and make preparations during the ensuing 20 to 30 years to catch up with and surpass the United States economically, in order to carry out the gradual transition from socialist society to Communist society. This is the great, glorious, and arduous task of our people.

-21-

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

"Since our people have successfully overthrown the three big mountains which held sway over us in the past--imperialism, feudalism, and bureaucratic capitalism--and since we have within a very short period made such rapid development in economic and cultural construction, we have full reason to believe that our people will surely build our country into a strong state with modern industry and modern agriculture, into a socialist society and a Communist society. Our country is large, has rich resources and a large population, our people are industrious and courageous, and our country has the most advanced socialist system. There is no reason why we should not exert our utmost for the realization of our great ideal." (underlining supplied)

Aside from the calculated tone of "revolutionary optimism" permeating this passage, there are several specific ideas which deserve elucidation. The first concerns the criteria for measuring the achievement of socialism in 10 to 15 years, here given as "a comparatively adequate material base" and a consolidated state structure. Attainment of this objective would then enable the regime to claim that it had "basically completed construction of a socialist society." This then would correspond to the stage reached by the Soviet Union in 1936 when Stalin asserted that socialism had been "basically" constructed, despite the relatively low level of development of the Soviet economy at that time.

The second idea is the implication that at least the material prerequisite for a Communist society in China could be satisfied by "catching up with and surpassing the United States economically," a process which would require from 30 to 45 years. To demonstrate the close attention paid this editorial by the Soviet leadership, it is worth while to anticipate developments by noting that Khrushchev was to repudiate this proposition in his 21st party congress speech delivered more than a year later. In language so similar as to be more than accidental, Khrushchev made the following statement: "It would be an oversimplification to assume that when we catch up with the United States economically we will complete Communist construction. No, this is not the end of the road...(but) only the initial stage of Communist construction."

The final characteristic of this editorial which deserves special attention is the amalgamation of socialism and Communism into a single "great ideal"--an early example of blurring

~~SECRET~~

~~SECRET~~

these two separate historical stages which was to be such a bone of contention in the Sino-Soviet dispute over the communes.

The first steps toward the realization of this "great ideal" were taken at a secret party conference held during the middle of January at Nanning, the capital of China's southernmost province. This was the first of three top-level Chinese Communist party conferences which were to play a dominant role in policy formation during the first six months of 1958. Chairman Mao is known to have delivered a major address at Nanning under the pedestrian title "Sixty Methods of Work." Although this address has never been reported and is rarely cited, there is reason to believe that many of the innovations in theory and practice which were to appear during the first half of 1958 were introduced at this time.

It was at this time, as subsequent provincial party reports were to demonstrate, that Mao advanced the concept of "uninterrupted revolution" (which Marx had introduced more than a century before to urge that the German "bourgeois-democratic" revolution be continued into a "socialist" revolution) as a theoretical justification of the accelerated tempo of socialist construction in Communist China. A formal explanation of this daring theoretical innovation was not forthcoming until Liu Shao-chi's work report at the central committee party congress in May. The concept was reflected, however, in the major reports to the National People's Congress session held in early February immediately after the Nanning Conference and in an editorial in People's Daily on 3 February.

In his annual budget report to the congress, Li Hsien-nein likened this principle of continuous advance to the motion of "waves driving each other forward" and called it "the law of progress of our cause." The editorial stipulated that socialist construction must demonstrate the same pattern of advance as that which had characterized past struggles during the period of democratic revolution--that is, a continuous advance by leaps and bounds. The following little-known quotation of Lenin on the eve of the October Revolution was cited in support of this stand: "Either we face destruction (by the advanced countries) or else we must...overtake them economically.... Either it is

~~SECRET~~

~~SECRET~~

destruction or else it is an advance forward at full speed. This is a question posed by history." Thus at this date Mao was already searching the early canonical writings of Marxism-Leninism for doctrinal authority which would support a program of socialist construction differing sharply from the Soviet model.

Another theme of Mao's speech at Nanning was the need to combat the "rightist" conservatism existing in the minds of a number of party comrades. This was of pressing urgency at this time, when the rate of advance was to be accelerated much more rapidly than in 1956, and was made particularly difficult because the party was already on record as having condemned the pace of 1956 as an example of "rash advance." The problem was stated succinctly in the People's Daily editorial on 3 February: "Some people fail to understand that advance by leaps and bounds is different in principle from rash advance." It is apparent that Mao was unable at Nanning to dispel the doubts of these comrades who were referred to throughout the ensuing months by such epithets as the "tide watchers," the "tide blockers," and as those "waiting to settle accounts after the autumn harvest."

More was needed to step up the pace, however, than mere theoretical expositions and admonitions. This was provided by Mao at Nanning in a 14-point program for agricultural development which he epitomized in the slogan "Three years of bitter struggle to basically change the appearance of the countryside." This was conceived as a three-year period of maximum effort and sacrifice (1958-1960) which would permit most areas to complete the Draft 12-Year Agricultural Program by 1962, or five years ahead of schedule. Again, the key to success in this forced-draft program was the massive and intensive application of peasant labor power, which Li Hsien-nien hailed in February as the "primary decisive factor in agricultural production and construction." The necessary investment funds were to be provided by the collectives themselves rather than by the state, thus demanding additional sacrifices from an already heavily burdened peasantry.

Mao apparently advanced still another, although related, goal at Nanning--that the various provinces strive to make local industrial output (as distinct from the output of industrial enterprises under central government

~~SECRET~~

~~SECRET~~

control) exceed the value of agricultural output by 1962. This process would be facilitated by the implementation of a series of "decentralization" measures which had been decreed in November 1957 and which were designed to give more authority and incentive to local governments in administrative, financial, and industrial matters. Local industrial development at this time, however, was still considered to be largely an adjunct of agriculture and did not assume the character of a mass campaign in its own right until after the Chengtu conference in March.

In order to present a comprehensive discussion of the origins of the commune, it is necessary at this point to anticipate the major policy decision reached at Chengtu-- the adoption of a mass line for industrial development which greatly enlarged the scope and objectives of the local industry program. No longer considered a mere adjunct to the agricultural sector, this undertaking to construct thousands of small-scale industrial installations in rural areas was now hailed as a major means of accelerating socialist industrialization for the economy as a whole and as a distinctive feature of China's program of socialist construction. Of even greater significance, it was decided at Chengtu to transform the program into a mass campaign which would penetrate beyond local levels of government to exploit the underemployed labor force of the agricultural producer cooperative. Following the decision at the September 1957 central committee plenum to organize a huge peasant labor army to engage in agricultural production and construction, this decision at Chengtu to initiate a mass movement in rural industrial construction appears to be the second decisive factor leading to the establishment of communes in China. Indeed it is possible to argue plausibly, as the Chinese Communists have done, that the communal organization was a necessary corollary of the rural industrialization program.

To return to the Nanning conference in January, it is fair to conclude that the basic purpose of Mao's speech on that occasion was to arouse revolutionary optimism and fervor among the party leadership at all levels and to exhort them to draw up a series of advanced plans and ambitious goals. This was to be accomplished by means of a new Communist working style of "daring to think, speak, and act with courage"--a working style both exemplified and advocated by Mao in his address. At first directed principally

~~SECRET~~

~~SECRET~~

at the party leadership, this undertaking to inculcate revolutionary attitudes and approaches to problems was soon to assume the proportions of a mass campaign and become, to use the expression of Liu Shao-chi in his party congress speech in May, "a Communist ideological emancipation movement...among the broad masses of the people." As early as January, an article in the party journal devoted to the "red and expert" and "down to the farm" movements called for the organization of a Communist education campaign to propagandize a "new Communist spirit" and a "new Communist viewpoint" so that these two movements might succeed. Another journal article at this time advocated that the workers receive an "education in the spirit of Communism" as an antidote for individualism and discussed in somewhat slighting terms the socialist principle of remuneration "according to work." Still another example of this development appeared in the People's Daily editorial of 31 January, shortly after Nanning, in the reference to "the task of using the spirit of Communism in the education of our younger generation and the currently developing high tide of industrial and agricultural production in our country."

Thus it was becoming increasingly clear that the Chinese Communists intended to exploit the shimmering ideal of a future Communist society in China by directing the fervor aroused by this goal into an immediate program of socialist construction conducted at top speed and demanding maximum sacrifice. This, in brief, was the situation just prior to the convocation of Communist China's leadership at the Chengtu conference in March 1958, the party conclave in which the commune as the chosen instrument of China's distinctive program of socialist construction is believed to have been conceived.

-26-

~~CONFIDENTIAL~~

~~SECRET~~