



E-ASIA
university of oregon libraries

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

~~SECRET~~



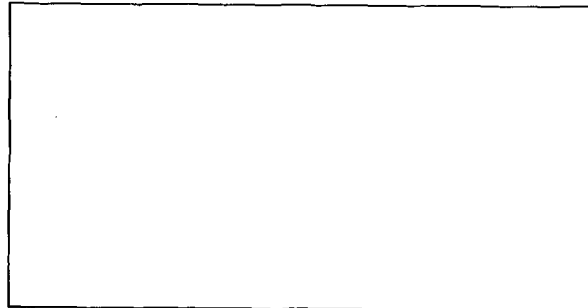
15 June 1960

OCI No. 2927/60
Copy No.

165

CURRENT INTELLIGENCE STAFF STUDY
THE COMMUNE, THE "GREAT LEAP FORWARD," AND SINO-SOVIET RELATIONS
(August-December 1958)

(Reference Title: ESAU VIII-60)

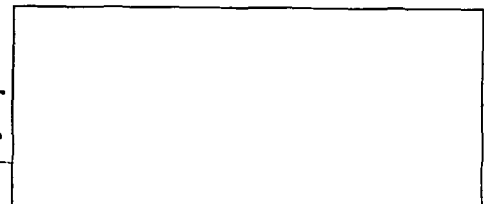


Office of Current Intelligence

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~~

CURRENT INTELLIGENCE STAFF STUDY

The Commune, the "Great Leap Forward," and Sino-Soviet Relations
(August-December 1958)

This is a working paper, reflecting information available through May 1960.

Although centered on a four-month period in 1958 (the most critical period in the development of the commune program), this study moves backward and forward from that period and can be regarded as the basic paper in the ESAU series on the commune program and on the significance of that program for the Chinese Communist party leadership and for the Sino-Soviet relationship. One additional paper is presently contemplated, bringing the study of the commune program and related matters into 1960.

The summary of this paper appears as pages i-xx.

The Sino-Soviet Studies Group would welcome either written or oral comment on this paper, addressed to Philip L. Bridgham, who wrote the paper, drawing in part on earlier chapters (ESAU I-VII) written by himself and Donald Zagoria; or to W. P. Southard, the acting coordinator of the SSSG.



~~SECRET~~

THE COMMUNE, THE "GREAT LEAP FORWARD" AND SINO-SOVIET RELATIONS
(AUGUST-DECEMBER 1958)

	<u>Page</u>
SUMMARY	i
Introduction	1
I. THE COMMUNE IN THEORY	4
A. The Commune and the "Great Leap Forward"	4
1. The "Leap Forward" in Agriculture	5
2. The "Leap Forward" in Industry	10
3. The "Leap Forward" in Agricultural Mechanization	18
4. The "Leap Forward" and Completion of Socialist Construction	22
B. The Commune and the Chinese Road to Communism	24
1. The Commune and "Uninterrupted Revolution"	25
2. The Commune and Economic Development	28
3. The Commune and the Communist Education Campaign	34
4. The Commune and the "First Shoots of Communism"	37
a. Distribution "According to Need"	37
b. The Public Mess Hall and Other Communal Services	42
c. Ownership by "All the People"	44
d. Government and Militia in the Commune	47
e. Eliminating the "Three Differences"	49
5. The Commune and the Transition of Communism	51
C. The Rise and Fall of the Urban Commune	56
II. THE COMMUNE IN PRACTICE	62
A. The "Leap Forward" Stumbles	62
1. Failure of "Native" Iron and Steel	63
2. Trouble in Agriculture	69
3. The Halt to Agricultural Mechanization	73

~~SECRET~~

~~SECRET~~

B.	The Commune Falters	76
1.	Failure of Distribution "According to Need"	76
2.	Retreat from Collective Livelihood.	81
3.	Problems in Organization and Management	84
4.	Opposition to the Commune	87
III.	THE COMMUNE AND SINO-SOVIET RELATIONS	92
A.	The Chinese Ideological Initiative.	92
B.	The Response in Eastern Europe.	96
C.	The Response in Asia.	99
D.	The Soviet Response	105
E.	The Chinese Rejoinder	112
IV.	THE CHINESE RETREAT	115
A.	Retreat from the "Great Leap Forward"	116
B.	Retreat from the Commune.	118
C.	Resignation of Chairman Mao	121

~~SECRET~~

~~SECRET~~

SUMMARY

This paper deals with perhaps the most important period in the development of the Chinese Communist regime since its inception, the period encompassing the two commune resolutions of the Chinese Communist Party in August and December of 1958. With the aid of hindsight, it is possible to gain a clearer picture of the antecedents of the climactic decisions of the fall of 1958 and to comprehend more fully the significance of these decisions for the whole range of critical policy issues confronting the Chinese Communist leadership today. These issues, which the paper seeks to illuminate, are: the forced-draft development program embodied in the general line of socialist construction, the "leap forward" and the commune; the intraparty struggle manifested in the current campaign against "rightist opportunism"; and the conflict of policy and interest between China and the Soviet Union expressed in periodic acrimonious exchanges between these two leading powers of the Communist Bloc.

As a guide to the reader, it should be noted at the outset that there is a unifying concept underlying the complex of radical programs initiated in 1958 by the Chinese Communists. This concept is personified by Mao Tse-tung and is embodied in that collection of formal writings and public statements (increasingly prolific in 1958) which constitute "the ideology of Mao Tse-tung." There is an internal consistency and logical coherence in these policies, all designed to accomplish the superhuman feat of rapid modernization and industrialization in the conditions of over-population and land scarcity peculiar to a backward Asian economy.

The three programs which were to dominate the Chinese scene in 1958 and 1959--the general line of socialist construction, the "leap forward" and the communes--were inextricably linked from the outset. It is of fundamental importance, then, to discuss the commune conceived as an economic organization, including the plans and expectations of the Chinese Communist leadership for rapid and sustained growth of the national economy following the establishment of people's communes throughout all of China. In this new approach to economic development, rapid growth of the agricultural sector was considered a prerequisite.

~~SECRET~~

~~SECRET~~

The first step in this program of accelerated agricultural development was "large-scale agricultural capital construction" or investment. In this respect, the mass campaign of water conservancy construction in the winter of 1957-1958 had already demonstrated the efficacy of a corvee system of unpaid labor organized on an unprecedented scale of some 100 million, as well as the need for a permanent organizational form (i.e. the commune) which could institutionalize this concept of a "peasant labor army."

The second step in the "leap forward" program of agricultural development was the displacement of government and agricultural specialists by party enthusiasts in a revolutionary approach to agricultural production--an approach in which the intensive utilization of China's most abundant resource, labor, was expected to compensate for the critical scarcity of such other factors of production as arable land, agricultural machinery and chemical fertilizer. First to appear was a new "mobilization" system of planning featuring "leap forward" goals which were for the express purpose of "mobilizing and inspiring the masses." Next was the decentralization of controls from the Ministry of Agriculture to provincial organs of the party and government in order to stimulate local initiative.

The final stage in the assumption of party control over agricultural development was the adoption of a set of "more advanced" agricultural techniques which came to be known as the "eight point charter of agricultural production." Described as a codification of the rich experience gained in the cultivation of experimental high-yield plots in the spring and summer of 1958, this "garden culture" technique consisted of eight basic rules of agricultural production, with special emphasis on deep-plowing and close-planting as the means for achieving a technological breakthrough in agriculture. This in turn would permit implementing Mao's concept of land cultivation which was aimed at the reduction of sown acreage "in the next several years" to one-third of the existing level. With the accompanying injunction to China's agronomists to take "Chairman Mao's ideology as basic" in their research and study, first agricultural planning, then agricultural statistics and finally agricultural science were being subordinated to political ends in the best Stalinist tradition.

~~SECRET~~

~~SECRET~~

The second economic function of the commune was to promote a "leap forward" in industrial development. Despite the apparently confident belief of Communist China's leadership that they had discovered a short-cut to industrialization, China's "mass-line" of industrial development in 1958 was based on faulty premises, characterized by shifting content, and, in its latter stages, marked by almost desperate improvisation.

Perhaps the basic misconception was the belief that techniques which had proven relatively successful in promoting the "leap forward" in agriculture could be applied to the infinitely more complex process of industrialization, especially the reliance upon labor-intensive "native" technology performed by the "greatest labor army in the world." The decision to rely on "native" technology, apparently originating in March at the Chengtu party conference, was firmly incorporated into China's new approach to industrialization in a key article by Po I-po appearing in the 1 July issue of Red Flag. Taken in conjunction with Chen Po-ta's concurrent Red Flag article introducing the people's commune, Po's discussion clearly implied that the commune had been selected as the instrument for mobilizing China's revolutionary peasants in a program of industrial development conducted at a "really astonishing rate." The simultaneous launching of the commune movement on a nation-wide scale and the immediate implementation of an important feature of the commune--"getting organized along military lines"--were indispensable to the mass iron and steel drive initiated at the Peitaiho party conference in August.

Three facts about the original conception of the mass iron and steel movement deserve special emphasis. The first was the opposition from the outset of the technicians who objected to "native" installations on the grounds that they were "too backward" and "wasteful." The second was the total commitment of the Chinese Communist leadership to fulfillment of the "leap forward" goal of doubling steel production in 1958, a commitment which goes far to explain the excesses of the program in the latter months of the year. The third is that the mass campaign was originally intended to apply almost exclusively to the production of "native" pig iron, on the assumption that the product of these primitive installations could then be refined in modern steel furnaces.

~~SECRET~~

~~SECRET~~

The final function of the commune conceived primarily as an economic organization was to accelerate the mechanization and electrification of agriculture. As was the case with the mass line of industrial development, the program of technical revolution in agriculture announced by the Chinese Communists in 1958 was characterized by shifting content and destined for ignominious failure. Following short-lived experiments with locally produced baby tractors and the "native" production of ball bearings, the Chinese Communists claimed in September to have discovered in the towing-cable machine "a short-cut to agricultural mechanization and electrification under the concrete conditions of our country."

Following the appearance of the commune and the claimed discovery of a series of short-cuts to agricultural abundance, industrialization and the mechanization of agriculture, Chinese Communist estimates of current and future rates of growth jumped sharply. At the same time, the "short-cut" strategy clearly implied a reduction of the standards for measuring the achievement of socialism in China. As a result of these developments, it appeared that Communist China's leaders now intended to complete the transition to socialism within three, or at the most, five years. Thus the period of time necessary to complete the historical stage of the transition to socialism had been telescoped from the January 1958 estimate of 10 to 15 years to an autumn 1958 estimate of a maximum of 5 years, with 1962 to mark the completion of one stage and at the same time the formal inauguration of a new higher stage--the transition to Communism.

According to the August commune resolution, the people's commune was "the best form of organization" for attaining not only socialism but also Communism, the achievement of which in China was "no longer a remote future event." This telescoping of the revolutionary process, the conscious blurring of the stages of socialism and Communism, was justified by a theoretical innovation advanced by Chairman Mao--his ingenious, if heretical, version of the Marxist-Leninist theory of "uninterrupted revolution."

Mao's concept of "uninterrupted revolution" and its offspring, the commune, deviated sharply from Soviet experience in the socialist transformation of agriculture. The Soviet model, which Khrushchev and other Russian spokesmen refer to as "Lenin's cooperative plan", calls for collectivization

~~SECRET~~

~~SECRET~~

(advances in production relations) to take place together with industrialization and mechanization (advances in the productive forces). What might be referred to as Mao's plan of agricultural organization, revealed as early as 1955 in his frenetic speed-up of agricultural collectivization and reaching a climax with the formation of communes in 1958, is the undertaking to establish progressively higher levels of collective production relations in advance of industrialization and mechanization. The premise has been and remains that regimented manpower can be substituted for tractors and other agricultural machinery in a program of rapid agricultural development leading to the early achievement of a modern industrial economy.

Many of the commune features identified as "the first shoots of Communism" were pragmatically conceived as a means of promoting and sustaining this leap to modernization. As the first step in a total mobilization program, the commune assumed ownership over all means of production in the countryside. The second step was the extension of more rigid and effective controls over peasant consumption by means of the "free supply" system of distribution and the commune mess-hall. The corollary of minimizing consumption was maximizing savings and investment and it was here that the commune was expected to perform one of its most important functions as a mechanism for converting a sizable agricultural surplus into investment for industry. In the Chinese view, the commune would make it possible to telescope the painful process of "primitive accumulation" experienced by any agrarian society bent on industrialization.

The third and by far the most important resource in the total mobilization program was human labor power exploited to a degree never before attempted in history. Drawing their inspiration for the peasant "labor army" concept directly from the Communist Manifesto, the Chinese Communists considered the militarization of production a necessary expedient for China to break through the barriers of poverty and ignorance to achieve industrialization.

The "first shoots of Communism" displayed by the commune would also permit "exploring the practical road of transition to Communism." The most famous of these rudiments of Communism was the commune system of distribution incorporating elements of "free supply" (distribution "according to need", a basic criterion of Communism) and of wages (distribution "according

- v -

~~SECRET~~

~~SECRET~~

to work", a basic criterion of socialism). Endorsed by Chairman Mao and Liu Shao-chi in mid-September, this equalitarian system of distribution revealed a basic premise of the commune experiment--that psychological and moral incentives could be substituted for material incentives as the major stimulus for production. The Chinese Communists originally intended to establish this distribution system universally throughout the country, including the armed forces, party and government cadres and the urban proletariat. Since the goal was "to enable China's 600 million people to eat and dress without having to pay", this meant that the remaining portion of wages paid "according to work" would then be reduced to little more than pocket money.

The commune was originally conceived as a more efficient mechanism not only for organizing production but also for organizing a collective way of life--the second "shoot of Communism" embodied in the commune mess-halls, nurseries, kindergartens and rural "housing estates." These radical institutions were first of all justified on the grounds of economic necessity, as a means of securing badly needed labor power to undertake the manifold tasks of the "great leap forward" program in the countryside. The literature of the period suggests, however, that ideological and political motives were equally prominent in the considerations prompting the establishment of these communal services.

The commune displayed still another "shoot of Communism" in that it was expected to achieve "all-people ownership" at an early date and thus facilitate the transition to Communism. As defined by the Chinese Communists, "all people ownership" was nothing more nor less than state ownership of all the means of production, including land, capital goods and, in a sense, the labor expended in production as well. It was to be the organizational device par excellence for extending state control over all available resources, material and human, in the countryside.

A fourth "Communist shoot" was the integration of the township government with the commune to facilitate entry into the Communist era when "the state...will play no role internally." A more practical result of the merger was to strengthen the coercive power of the commune through the agency of its newly formed militia. The central mission of the militia was to serve as a labor organization, providing the institutional framework for the militarization of production. In descending

~~SECRET~~

~~SECRET~~

order of importance, the militia was also expected to enforce commune policy against recalcitrant elements in the countryside and to serve as a supplementary reserve force for the professional army in time of war. The military significance of the commune militia was more symbolic than real.

As the final "shoot of Communism", the commune showed the way to "eliminating the difference between town and country, between worker and peasant and between mental and manual labor." These all-embracing and romantic goals were to be realized by implementing two measures taken directly from the Communist Manifesto, the combination of agriculture with industry and the combination of education with material production. The second measure, accompanied by the paradoxical claim that physical labor for all signified progress towards Communism, applied to all segments of the population, including workers and peasants, intellectuals and government and party functionaries.

By means of these "shoots of Communism", the Chinese Communists claimed to have discovered a special road enabling China to realize Communism "in the not distant future." Specific discussions of the length of time necessary to complete this short-cut to Communism, however, were few and far between. Provincial secretary Wu Chih-pu provided the only estimate in absolute terms of the number of years necessary to achieve the required level of material abundance--"another six or seven years." Party propagandist Lu Ting-i indicated that fulfillment of the political prerequisite (the fostering of a "new Communist man") would require "a long period of time."

An essential step in the accelerated advance to Communism was the early establishment of communes in China's urban areas. Although the initial party resolution in August was concerned exclusively with rural communes, the Chinese Communists envisioned the communal organization from the outset as having generally applicability throughout all of Chinese society. The drive to organize communes in the pioneer province of Honan in August 1958 encompassed both urban and rural areas. During the month of September, Chairman Mao, Liu Shao-chi and Teng Hsiao-ping all advocated the formation of urban communes and a People's Daily editorial in late October called for establishing people's communes in "all cities, factories and mines."

~~SECRET~~

~~SECRET~~

The number, variety and scope of problems encountered in the initial experiments precipitated an abrupt reversal of policy on urban communes. Among the more important problems were the question of type and size; the widely-scattered housing of urban workers; the lack of productive resources; and the prevalence of "bourgeois ideology." Since almost none of the practical reasons advanced to support the rural commune applied in urban areas, it appeared that ideological considerations were a prime factor in Communist China's urban commune program in the fall of 1958.

The conflict in the fall of 1958 between the commune in theory and the commune in practice, between ideology and reality, was a traumatic experience from which the Chinese Communist Party has yet to recover. Responding to the pressure of events and to the rising tide of both Soviet and domestic criticism, the Chinese Communist leadership in a series of urgent conferences extending through November and early December decided upon a major overhaul of its commune program as embodied in the December commune resolution. At the same time, it decided to undertake a less obvious, less abrupt but equally major overhaul of its "great leap forward program."

The acid test for Communist China's claim to have discovered a short-cut to industrialization was the mass iron and steel campaign initiated by the Peitaiho conference in late August and conducted under the personal leadership of Chairman Mao. The consequences of a basic fallacy of this campaign, that "native" iron fed to modern furnaces could produce a standard grade of steel, precipitated a crisis of major proportions in China's industrialization program just prior to the December plenum of the central committee. In retrospect, it appears that the Chinese Communists decided at this time to cut their losses and in effect terminate their ill-fated experiment with "native" production of iron and steel.

The occasion for this basic reversal of policy was a national conference of party industrial secretaries held in Peking through a six week period from 4 October to 14 November. Convened "to summarize" the experience gained in the mass industrialization movement, the conference announced that the mass iron and steel campaign had entered a new stage--that of "reorganization, consolidation and elevation." This would permit solution of the two most pressing problems on the iron and steel front, the need to raise quality of output and the

- viii -

~~SECRET~~

~~SECRET~~

need to reallocate labor power to agriculture and other branches of industry. Concluding with a call for "unified planning" and for "treating the whole country like a chess board," the conference signaled the approaching end of the extreme decentralization of controls which had characterized the "great leap forward" program of industrial development up to that time. The three premises of the short-cut to industrialization--rapid decentralization, displacement of the technicians and reliance on "native" technology--were revealed as faulty and as having produced serious waste and serious disproportion in the national economy.

A series of emergency directives and People's Daily editorials during October and November testified to the mounting crisis in agriculture, occasioned largely by the diversion of 40 percent of the peasant labor force to the mass iron and steel campaign. The belated decision in early November to rectify this error and at the same time to "let the peasants rest" was another indication of the need to slacken the pace and regroup forces in the countryside. By December the standard explanations for the shortfall in state procurement and the urban food shortage no longer carried conviction and it was necessary to concede "exaggeration, lies and falsification" in the reporting of agricultural production.

The near collapse of China's tool reform and farm mechanization program was also evident by early November. A 4 November People's Daily editorial admitted that "the tool reform movement in not a few areas has almost come to a halt" and an accompanying chart demonstrated that less than 30 percent of the annual plan for production of ball bearings and towing cable machines had been fulfilled. Following these admissions, the claim to have discovered a "short-cut" to agricultural mechanization was abruptly withdrawn.

It was in the commune program proper, however, that the magnitude of the Chinese retreat in December 1958 was most clearly revealed. Responding to both Soviet and domestic pressures, the Chinese Communists were compelled to undertake a complete overhaul of their commune experiment.

The retreat was most evident with respect to the original commune system of distribution featuring the "free supply" of commodities allegedly distributed "according to need." By November this system had been subjected to wide-spread attack,

~~SECRET~~

~~SECRET~~

not only by rich and upper-middle peasants but also by poor peasants and rural cadres who doubted whether "Communism can fully arouse the labor ardor of the masses." When trial surveys revealed that commune grain consumption exceeded state norms by as much as 20 percent, even the claim that the new distribution system would curtail rural consumption had been discredited.

The reaction of the Chinese Communist leadership to these developments was commendably prompt. The December resolution stressed that wages paid "according to work" must "take first place...in order to encourage the working enthusiasm of commune members." Articles appearing in the December People's Daily revealed that even basic foodstuffs, previously covered by "free supply", were now to be distributed largely on the basis of work performance.

Underlining the almost total collapse of the original commune distribution system was the fact that the commune was unable to provide even the more modest "socialist" portion of the income due its members--the payment of fixed wages. Communist China's distribution system in the spring of 1959 would be in fact, if not in name, little different from that which had existed in the pre-commune agricultural cooperative. The buds of the Communist system of distribution "according to need" appeared dormant if not dead.

Still another of the "shoots of Communism" to be drastically modified at Wuhan was the system of collective livelihood embodied in the communal mess-halls, nurseries, kindergartens and "housing estates." Responding this time to domestic pressures in the form of peasant opposition to these radical institutions, the December resolution conceded the principle of voluntary participation in these communal services and reaffirmed the integrity of the individual family (including the young and the aged). The announcement soon thereafter of the restoration (in effect) of the peasants' "private plots" was still another admission that the commune had failed in its responsibility "as organizer of the livelihood of the masses."

The December resolution also revealed that the commune administrative structure was in need of a thorough overhaul in which the lower-level production brigade would play a more important role. The decision to enhance the status of the production brigade was an implicit admission that the "vastness"

- x -

~~SECRET~~

~~SECRET~~

of the commune organization had produced not more but less efficiency. The process of decentralization, which was to snowball in the spring and summer of 1959 until the commune administrative committee had been stripped of nearly all authority, was already underway.

The rising tide of domestic criticism constituted an important factor in the Chinese Communist decision at Wuhan to undertake basic modifications of the original commune program. Representing a broad groundswell of popular discontent, this opposition appeared in the form of increasingly vocal criticism from within the government, the party and the military.

A graphic illustration of cadre disaffection was the reluctance of basic-level government workers to join the commune. Cadre dissatisfaction was also manifested in criticism of the commune system of distribution, expressed in the political heresies of "individualism" (calculating "personal gains and losses") and of "parochialism" (placing the interests of one's own commune ahead of the interests of the state). Still another indication of mounting unrest in the countryside was the caveat in the December resolution against "commandism" (a euphemism for the exercise of coercion and force). The accompanying charge that "some cadres are beginning to get dizzy with success" demonstrated the occupational hazard of the cadre as a scapegoat for mistakes of the party leadership.

The evidence of opposition to the communes within the ranks of the military is of special interest in the light of subsequent developments. It is a striking paradox that the attempt to reintroduce the supply system (the Chinese Communists frequently cited the supply system of "military Communism" in force during their revolutionary war period as a precedent for the commune distribution system) into the armed forces in the fall of 1958 apparently aroused considerable dissension. A People's Liberation Army directive in early November to launch a mass socialist-Communist indoctrination campaign among the armed forces stressed the need "to make all commanding personnel in the army progressive elements in the commune movement and the march to Communism." Whether they were personally involved in opposition to party policies or not, the subsequent removal of Minister of Defense Peng Te-huai and his chief of staff in the fall of 1959 would suggest at a minimum their inability to exact unwavering allegiance to party programs by "commanding personnel" under their jurisdiction.

- xi -

~~SECRET~~

~~SECRET~~

The appearance of Communist China's commune program in the fall of 1958 introduced a basic source of discord into Sino-Soviet relations which persists to the present day. Conceived as the instrument for achieving rapid economic and social development leading to the early advent of the Communist society, the commune epitomized a distinctive Chinese road to socialism and Communism which diverged sharply from Soviet precedent and experience.

The main outlines of the Chinese ideological initiative were present in the very first extended discussion of the commune to appear in a Chinese Communist publication--Chen Po-ta's article in the 16 July issue of Red Flag entitled "Under the Banner of Chairman Mao." It was here that Mao Tse-tung was credited with discovering a special road enabling China to accelerate socialist construction and to realize Communism "in the not distant future." Moreover, he had done this in accordance with Lenin's injunction to the countries of the East to "creatively develop" Marxist theory "in the light of special conditions unknown to the European countries...realizing that the peasants are the principal masses." The implication was strong that Mao had solved the special problems of socialist and Communist construction, not only for China but for other Asian countries as well.

In the Chinese view, a program calling for total mobilization of all available resources was necessary in order to break through the barriers to industrialization and modernization faced by the underdeveloped countries of Asia. Utilizing the various economic functions of the commune, the Chinese Communists claimed that their "great leap forward" program of economic development provided a short-cut to the ultimate goals of agricultural abundance, industrialization and the mechanization of agriculture. The various ideological functions of the commune were to play an equally indispensable role in China's leap to modernization. The very term "commune" connoted an advanced status on the road to Communism, and thus provided an ideological and political incentive for "bitter struggle" on the production front. What is more, the Chinese Communist version of accelerated economic and social development leading to the early achievement of Communism appeared to encompass the entire Bloc. Thus the ideological pretension that Communist China was leading the Bloc in an accelerated march to Communism and the theoretical rationale for the commune as a "creative development" of Marxism-Leninism posed a fundamental challenge which the Soviets could ill-afford to ignore.

~~SECRET~~

~~SECRET~~

The economic and ideological pretensions initially advanced for the commune aroused great interest and a surprisingly favorable response in a number of the satellite countries of Eastern Europe. The speeches of delegates attending a 30 September rally in Peiping inaugurating new friendship associations between China and all the nations of Eastern Europe (in itself an indication of mounting Chinese influence in the area) were replete with laudatory references to Chinese innovations. Of particular interest were the high-level endorsements of the commune program by First Secretary Novotny of Czechoslovakia and by Premier Grotewohl of East Germany.

The influence of Communist China's distinctive programs in Eastern Europe was most pronounced, however, in Bulgaria where the leadership faced a series of problems similar to those which had precipitated the "leap forward" and commune programs in China. A number of the radical measures introduced in Bulgaria's economic planning and organization in the late fall and winter of 1958 were apparently inspired by Chinese precedents. These included adoption of the Chinese slogan of a "great leap forward" in economic development; the introduction of mass movements in agricultural construction featuring "voluntary" (i.e. unpaid) labor and fixed periods of physical labor for party and government officials; reliance on political and ideological incentives for labor; and the formation of tremendously enlarged agricultural organizations in the countryside akin in some respects to the Chinese commune.

In view of the Chinese Communist contention that Mao Tse-tung had discovered for the countries of the East a special road leading to socialism and Communism, the response of the Asian satellite nations to Communist China's unorthodox programs is of particular interest. In brief, the record reveals that Mongolia displayed interest, that North Vietnam quickly adopted a number of Chinese innovations and that North Korea emulated the Chinese Communist example so closely as to suggest a temporary shift in allegiance from Moscow to Peiping.

Continuing its traditionally close relationship with Peiping, the Vietnamese leadership endorsed the Chinese claim to have devised a special road to socialism peculiar to Asian countries. What is more, there were indications that the Vietnamese looked favorably upon the commune as a logical next step once their country had achieved a higher level of "socialist" development. A subsequent May 1959 report on future plans for

~~SECRET~~

~~SECRET~~

establishing "large cooperatives" would reveal a basic identity between these comprehensive organizations and Mao's concept of the commune.

One of the most remarkable developments in Bloc politics in 1958 was the sudden deviation of North Korea from its traditional role of a Soviet satellite to embrace a whole series of Chinese Communist policies and programs, even to the point of flirting with the heretical commune organization. As revealed in a key report by Kim Il-sung, North Korea's ambitious "flying horse" program of economic development and the simultaneous amalgamation of agricultural cooperatives into units of township size were heavily influenced by Chinese Communist policy pronouncements emanating from the Pëitaiho conference of late August.

The substance of North Korea's accelerated program of economic development bore a striking resemblance to the "leap forward" in Communist China, including the goals of rapidly achieving agricultural abundance, industrialization and the mechanization of agriculture. But even more suggestive of Chinese influence was the fact that North Korea was incorporating certain salient features of Communist China's commune program into its own reorganization of rural society.

First was the conscious telescoping of the revolutionary process under the guise of the heretical Chinese concept of "uninterrupted revolution," holding forth as the reward for present "bitter struggle" the realization of Communism "in the not distant future." In discussing this process, Kim endorsed the principle of "all-people ownership" (a basic characteristic of China's commune program) not only as a forward step to Communism but also as a matter of immediate, practical concern in North Korea's rural transformation program. Even more striking was Kim's revelation that the Pyongyang regime was considering introducing the controversial commune system of distribution featuring the "free supply" of commodities determined "according to need." Indeed there is reason to believe that this system was introduced on an experimental basis in a select number of cooperatives in October 1958. Although the North Koreans abruptly changed course in the winter of 1958-1959 once Soviet disapproval of these unorthodox programs had become apparent, the events of the preceding year had demonstrated a marked receptivity to Chinese Communist innovations in theory and practice which may well reappear at some future date.

- xiv -

~~SECRET~~

~~SECRET~~

The Soviet response to the Chinese ideological initiative, at first cautious and then increasingly outspoken, revealed a thorough appreciation of the fundamental nature of Peiping's challenge. Responding to both the ideological and economic pretensions of the unorthodox Chinese programs, the Soviet leadership displayed a firm resolve to maintain its traditional role as the leader and arbiter of doctrine within the Bloc. Although constrained by the demands of "proletarian internationalism" to avoid direct public criticism and ridicule, Russian spokesmen throughout the fall and winter of 1958 leveled a series of oblique criticisms which were clearly intended to deflate Communist China's ideological pretensions, discount its economic claims and reassert forcefully Soviet primacy in charting a "common road" leading to socialism and Communism for all countries of the Bloc.

The Soviet counteroffensive began in earnest in November with the return of Ambassador Yudin to Peiping and with the publication of the Theses of Khrushchev's impending report to the Twenty-first Party Congress. The identity of themes in Yudin's public speeches, in the Draft Theses and in Khrushchev's congress report as finally delivered suggest that Soviet policy toward the communes had already matured in early November and that the Soviet Ambassador had been directed to convey these views directly to the Chinese leadership. The contents of these documents, moreover, reveal that the Soviets rejected almost in toto the basic premises of Communist China's commune program.

First the Russian leadership denied the Chinese claim to have discovered in the commune a short-cut to industrialization and economic modernization of special relevance to the underdeveloped countries of Asia. This was accomplished in three ways: by vigorously affirming the "general laws" of Marxism-Leninism which apply to all Bloc countries; by asserting the validity of the Soviet model, as the embodiment of these laws, for both Europe and Asia; and by sharply criticizing basic elements of the commune conceived as an instrument of rapid economic development.

The Russian leadership reserved its harshest criticism for two features of the commune programs upon which the Chinese had pinned their hopes for rapid economic growth. The Chinese attempt to substitute ideological and political incentives for material reward as the major stimulus for production and to

~~SECRET~~

~~SECRET~~

introduce distribution "according to need" despite low levels of production came under a withering attack. In both public speeches and private conversations, Khrushchev revealed his deep-seated opposition--in terms of both theory and practice--to the commune distribution system which only three months earlier the Chinese Communist leadership had hailed as "an event of world significance." The second economic function of the commune to draw Khrushchev's fire was the assumption of control over all means of production as a step towards the final goal of state ownership within three to six years.

The next step in the Soviet counteroffensive was to deflate the Chinese pretension to be leading the Bloc in an accelerated march to Communism. This was accomplished first of all by pre-empting the Chinese ideological initiative with the announcement of Russia's own accelerated program of Communist construction and then by a point-by-point refutation of the Chinese doctrinal position. In the process, it was made quite clear that the Soviet Union would determine the pace and order of Bloc progress to Communism and that Khrushchev not Mao would solve the "problems of Marxist-Leninist theory connected with the transition from socialism to Communism."

In outlining the tasks faced by the Soviet Union in their new stage of "extensive building of Communism," Khrushchev placed "prime emphasis" on creating a highly developed "material and technical base." The Soviet leader then proceeded to refute the Chinese contention that high-developed production relations also constituted a significant step to Communism. Well aware that the very term "commune" connoted an imminent Communist society, the Russian leader studiously avoided the term in his congress speech, a "non-recognition" policy which persists to this day. Khrushchev then disparaged the significance of China's public mess-halls, kindergartens and nurseries by pointing out that these "first shoots of Communism" had appeared in the early days of Soviet rule and by implying that China's "free supply" system signified not an advanced but a backward status of economic and social development. Even the one ideological pronouncement of Khrushchev's that was apparently intended as a concession to the Chinese--that all socialist countries would "enter the higher phase of Communist society more or less simultaneously"--had the effect of relegating Communist China to an inferior status on a par with other satellite nations.

- xvi -

~~SECRET~~

~~SECRET~~

Before deciding to retreat, the Chinese Communists issued several policy statements in early November which together constituted a rejoinder to the Soviet indictment of their commune program. By far the most important of these was a Red Flag editorial devoted to a discussion of the Moscow Declaration of Communist and Workers Parties adopted in November 1957. In a last-ditch stand in defense of the commune, the Chinese cited this document as a charter authorizing their special road to socialism and Communism.

Stressing those passages which criticized "dogmatism" and called for the "creative development" of Marxist-Leninist theory, the editorial implicitly warned the Soviet leadership against "making big mistakes politically" and branded as "conservatives" those who "do not dare to think of taking gradual steps toward the more advanced Communist society." In view of the content, the didactic tone and the unusual device of printing key passages in heavy black type, it is reasonable to conclude that this editorial was intended not only as a spirited defense of Communist China's commune program but also as a pointed criticism of the ideological failings of Soviet leadership.

The speeches and articles of Chinese leaders during the October Revolution anniversary did little more than paraphrase the Red Flag editorial. Most striking was an article by Soong Ching-ling, President of the Sino-Soviet Friendship Association, which asserted that "the Soviet Union and China...are overtaking and surpassing the most advanced capitalist countries in variety, quantity and quality of output" and that "already the first buds of Communist society are beginning to emerge in the Soviet Union and China." Within a fortnight after this idyllic conception of Communist China marching hand and hand with the Soviet Union to material abundance and Communism, the Chinese would suddenly sound the signal for retreat.

The signal for retreat on both the economic and ideological fronts was sounded by Chu Teh on 21 November in an address to a national conference of youth activists. Stressing that he appeared as a representative of the central committee, Chu revealed the two major policy shifts which would be formally adopted by the impending Wuhan party conference--the decision to abandon the claim of advanced status on the road to socialism and Communism; and the decision to undertake an agonizing reappraisal of the "great leap forward" program of economic development.

- xvii -

~~SECRET~~

~~SECRET~~

There is abundant evidence to support the conclusion that the Chinese Communist leadership decided at Wuhan to undertake a major overhaul of its "leap forward" program. The cumulative effects of failure in the mass iron and steel campaign, of grave imbalance in the national economy, of serious trouble in agriculture and of the near collapse of the tool reform and farm mechanization programs dictated a forced retreat on the economic front. Although political considerations would perpetuate hopelessly unrealistic "leap forward" goals until well into 1959, the December commune resolution revealed that the era of extreme economic pretensions was at an end. In place of former claims to have discovered a "short-cut" to agricultural abundance, industrialization and agricultural mechanization and the resulting achievement of socialism within three to five years, the resolution contained the following sober appraisal of China's future economic development--"the building of a socialist country with a highly developed modern industry, agriculture, science and culture...will take 15, 20 or more years to complete, counting from now."

It was in the commune program proper, however, that the magnitude of the Chinese Communist retreat was most clearly revealed. What made the retreat more galling and humiliating was the fact that it appeared to result largely from Soviet pressure.

Soviet intervention was almost certainly responsible for the decision to abandon the extreme ideological pretensions originally advanced for the commune, particularly the claim that this radical social organization provided a short-cut to an imminent Communist society. This retreat was accomplished first of all by negating Mao's thesis of "uninterrupted revolution" with its antithesis--"the Marxist-Leninist theory of the development of revolution of stages"--and by conceding that "these stages of socialism and Communism, different in quality, should not be confused."

The second step in the Chinese retreat on the ideological front was to acknowledge the Soviet position that highly developed productive forces (material abundance in industry and agriculture) were indispensable for the advance to Communism. Once this was conceded, the Chinese Communists could no longer maintain that highly developed production relations (i.e. the commune) in themselves signified an important step to Communism.

~~SECRET~~

~~SECRET~~

The retreat was most evident with respect to the original commune system of distribution featuring the "free supply" of commodities allegedly distributed "according to need." Originally hailed as a manifestation of "the economic system of Communism", the Chinese Communists now emphasized that the commune distribution system was "actually a form of socialist distribution."

The Chinese Communists also abandoned their original plan to move rapidly toward "all people ownership" (i.e. state ownership) of the means of production in the countryside. Whereas the initial August resolution had envisaged this process as requiring only three to six years, it was now admitted that the transition from collective ownership to "all people ownership" would be realized "only after a considerable time." The last of the "shoots of Communism" to be drastically modified at Wuhan was the system of collective livelihood embodied in the communal mess-halls, nurseries, kindergartens and "housing estates." Responding to domestic pressures, the December resolution conceded the principle of voluntary participation in these communal services and reaffirmed the integrity of the individual family.

Thus, one by one, the major economic and doctrinal pretensions advanced for the commune program had been stripped away. It was still necessary, however, to retract the most inflammatory ingredient in the original Chinese ideological challenge--that the commune and related programs were applicable to other Bloc countries, with special relevance to the Asian satellites and, by extension, to all underdeveloped areas of the world. This was accomplished in the December resolution by depicting the commune as a distinctively Chinese institution and by carefully restricting its application to China in discussing the future transition to Communism.

The historic Wuhan plenary session of the Central Committee decided not only to initiate a general retreat in both the "leap forward" and commune programs but also "to approve the proposal of Comrade Mao not to stand as candidate for Chairman of the People's Republic of China for the next term of office." In view of Mao's leading role in the formulation of these radical programs, it is hardly conceivable that this decision to resign was unrelated to the sorry performance of the commune in practice. At the same time, the record does

~~SECRET~~

~~SECRET~~

not support the conclusion of some Western observers that Mao relinquished his position as government leader under compulsion.

Peiping's apologists were faced with a formidable task in attempting to dissociate Mao from the extremism of the original commune program. One tactic employed in the December resolution was to revive a tried and tested prescription advanced by Chairman Mao on previous occasions to justify policy reversals-- "the principle of despising difficulties strategically and of treating them with respect tactically." Most noticeable, however, was the attempt to demonstrate that Mao all along had charted the correct course despite the opposition of "rightist conservatives" on the one hand and "leftist adventurists" on the other. In order to support this position, it was necessary to resort to outright falsification of the record. It was precisely Chairman Mao and the group of his principal lieutenants (Liu Shao-chi, Teng Hsiao-ping, Tan Chen-lin and others) identified in previous ESAU and POLO papers as "party machine" figures who had assumed personal leadership of the commune movement throughout 1958 in a program purporting to lead to an imminent Communist society in China.

It would require nearly a year of arduous toil before the more flagrant errors of the commune and "leap forward" programs could be corrected and the political errors of "right opportunists" overcome. At that time, the bitterness and frustration of continuing Soviet opposition to these programs would erupt in an acrimonious debate with Moscow over fundamental tenets of Marxism-Leninism, a debate in which Mao Tse-tung would once more be presented as "the most outstanding contemporary revolutionist, statesman and theoretician of Marxism-Leninism." And with the drive to organize urban communes in the spring of 1960, it appeared that the Chinese Communists were determined once again to advance, although at a somewhat slower pace, toward a number of the original goals of the commune program. Soviet intransigence and Communist China's new assertiveness would demonstrate at that time how little progress had been achieved during the preceding 18 months in resolving the basic policy and ideological conflicts introduced into Sino-Soviet relations by China's communes.

- xx -

~~SECRET~~

~~SECRET~~

Introduction

This paper deals with perhaps the most important period in the development of the Chinese Communist regime since its inception--the period encompassing the two commune resolutions of the Chinese Communist party in August and December of 1958. In this short span of recent Chinese Communist history may be found both the denouement of a series of policies evolved during the preceding year and the prologue to a series of events extending down to the present. For this reason it has been necessary to adopt a flexible approach to the chronological development of this paper, referring back in time to account for antecedents and moving ahead to anticipate subsequent developments.

The difficulties in undertaking a review of this period are many and formidable. The kaleidoscopic pattern of events distracts and distorts the vision of the observer. Policy discussion is couched in heavily labored expositions of dialectical materialism and infused with radical, romantic, even Utopian concepts extracted from the early writings of Marx, Engels and Lenin. The usual checks provided by statistical and planning data become progressively less useful as these functions are subordinated to political and ideological ends. The growing disparity between expectations and reality and the mounting evidence of popular opposition to party programs lead progressively to improvisation, to intraparty dissension, to sharp reversals of policy, and finally to a concerted effort by the party leadership to rewrite the history of the period.

Despite or perhaps because of these difficulties, intensive study of this eventful period is both revealing and rewarding. With the aid of hindsight it is possible to gain a clearer picture of the antecedents leading up to the climactic decisions of the fall of 1958 and to comprehend more fully the significance of these decisions for the whole range of critical policy issues confronting the Chinese Communist leadership today. These issues, which this paper seeks to illuminate, are the forced-draft development program embodied in the general line of socialist construction, the "leap forward" and the commune; the intraparty struggle manifested in the current campaign against "rightist opportunism"; and the conflict of policy and interest between China and the Soviet Union expressed in periodic acrimonious exchanges between these two leading powers of the Communist bloc.

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

As a guide to the reader, it should be noted at the outset that there is a unifying concept underlying the complex of radical programs initiated in 1958 by the Chinese Communists. This concept is personified by Mao Tse-tung and is embodied in that collection of formal writings and public statements (increasingly prolific in 1958) which constitute "the ideology of Mao Tse-tung." The thesis advanced in an earlier chapter of this study is strengthened by the findings of this paper: that Mao was in fact the originator of and driving force behind China's distinctive program of economic and social development manifested in the "leap forward" and the commune. There is an internal consistency and logical coherence underlying these policies, all designed to accomplish the superhuman feat of rapid modernization and industrialization in the conditions of overpopulation and land scarcity peculiar to a backward Asian economy.

To anticipate the conclusions of this paper, this program would founder because it was based on three faulty premises. First was the assumption that Mao Tse-tung had in fact devised a method of "high-speed advance in agriculture" expressed first in the eight-point agricultural charter and subsequently in the ill-fated "three-thirds system" of land cultivation. The second was the equally ill-founded assumption that the Chinese Communists had discovered a short cut to industrialization and agricultural mechanization through the instrumentality of "native" industrial technology and primitive industrial installations (exemplified by the backyard iron and steel furnaces). The final assumption, entailing perhaps the most disastrous consequences, was the romantic and idealized conception of the masses (particularly the peasants) as possessing a highly developed moral and spiritual sense and a revolutionary elan which would lead them to embrace the radical features of the commune.

If one were to single out the dominant characteristic of China's trilogy of domestic programs in 1958, it would be an obsession with speed. This was demonstrated as early as May by Liu Shao-chi in his key party congress report, when he asserted that "speed of construction is the most important question confronting us since the victory of the socialist revolution." And if one were to single out a quotation which best epitomizes the hectic events

~~SECRET~~

~~SECRET~~

of that year, it would be the following statement (appearing in the 11 June 1958 issue of People's Daily) ascribed to Chairman Mao:

At a Supreme State Conference in February this year, Chairman Mao mentioned a criticism made by a friend against the Communist party, saying that the Communist party "loves grandeur and achievement, wants quick results and profit, belittles the past, and believes blindly in the future." Chairman Mao, replying to the criticism, said the Communist party was just like that, that it loved the grandeur of socialism, wanted quick results in socialism, belittled the past, and believed blindly in the future.
(Underlining supplied)

In a sense, the organization of this paper reflects the content of the above quotation. The first section discusses the theory of the commune conceived as a vehicle for achieving "quick results in socialism" and then moving ahead to Communism. The second section analyzes the multitude of domestic problems encountered by the regime in the "leap forward" and commune programs, many the direct result of "belittling the past" and "believing blindly in the future." The final sections deal with the deleterious effect of the commune program and accompanying ideological claims on Sino-Soviet relations during the period under review, an effect due in no small part to Chinese "belittlement" of past Soviet experience.

~~SECRET~~

~~SECRET~~

I. THE COMMUNE IN THEORY

For purposes of analysis, this undertaking to reconstruct the original concept of the commune will be discussed under three headings. The first deals with the principal aspect of the commune organization--its function as an instrument for labor mobilization and regimentation to promote rapid development of the economy, "the best form of organization...to accelerate the speed of socialist construction." The second discusses those features of the commune depicted as "sprouts" of a not-far-distant Communist society in China. Constituting "an education in Communism," these sprouts held forth the promise of future bliss and prosperity as a means of arousing and sustaining labor enthusiasm for current production and of making more palatable the radical changes introduced into the traditional way of life of the Chinese people. They also were advanced to support the claim that the commune was "the best form of organization...for the gradual transition to Communism," an ideological pretension which continues to provoke severe Soviet displeasure. The third section treats the urban commune as part of the original commune concept. Although the initial party resolution in August was concerned exclusively with communes in rural areas, there is ample evidence that the Chinese Communists envisioned the communal organization from the outset as having general applicability throughout all of Chinese society.

A. The Commune and the "Great Leap Forward"

Among the many ambiguous statements in the August resolution on communes, one stands out with refreshing clarity: "The primary purpose of establishing people's communes is to accelerate the speed of socialist construction..." In Marxian dialectical terminology, this radical transformation of production relations was undertaken "to meet the requirements of the development of the productive forces." Established on the basis of "the all-round continuous leap forward in China's agricultural development," the commune was envisaged as an instrument for continuing and expanding the "great leap forward" to encompass not only agricultural production and construction but also industrialization, mechanization, and electrification of agriculture and rapid development of the entire national economy. It is of fundamental importance, then, to discuss the commune conceived as an economic organization, including the plans and expectations of the Chinese Communist leadership for rapid and sustained growth of the national economy following the establishment of people's communes throughout China.

~~SECRET~~

~~SECRET~~

As indicated in previous chapters of this study, the three programs which were to dominate the Chinese scene in 1958 and 1959--the "general line of socialist construction," the "leap forward," and the communes--were inextricably linked from the outset. Taken as a whole, they constituted a distinctive Chinese road to socialism and Communism, a program of economic and social development adapted to China's special conditions (in particular, a huge population supported by a weak agricultural base). In this new approach to economic development, rapid growth of the agricultural sector was considered a prerequisite.

1. The "Leap Forward" in Agriculture

The first step in this program of accelerated agricultural development was "large-scale agricultural capital construction" or investment, consisting primarily of construction projects in the field of water conservancy and irrigation. In this respect, the mass campaign of water-conservancy construction, afforestation, and other anti-drought and flood measures undertaken in the winter of 1957-58 had already demonstrated the efficacy of a corvée system of unpaid labor organized on an unprecedented scale of some 100 million. This campaign, of fundamental importance in tracing the origins of the communes, had also demonstrated to the Chinese Communist leadership, the need to cut across the confining boundaries of collective farms, as well as the need for a permanent organizational form which could institutionalize this concept of a "peasant labor army."

The achievements claimed for this campaign were astounding. According to an editorial on 14 October in People's Daily, China's increase in irrigated area in one year had surpassed that of the whole world for the preceding 20 years. But the year 1958 was only the first in the "three years of bitter struggle to basically change the appearance of the countryside" (Mao's famous slogan issued at the Nanning party conference in January 1958). The goals for 1959 and 1960 were even more demanding and exhilarating--the virtual elimination of flood and drought in Communist China by "bringing practically all arable land in the country under water-conservancy and irrigation facilities." The commune was to serve as the instrument for organizing the peasantry "along military lines" to undertake this "battle against nature."

~~SECRET~~

~~SECRET~~

The second step in the "leap forward" program of agricultural development was the adoption of a revolutionary approach to agricultural production, an approach in which the intensive utilization of China's most abundant resource, labor, was expected to compensate for the critical scarcity of such other factors of production as arable land, agricultural machinery, and chemical fertilizer. It is likely that Chairman Mao had delineated this approach as early as January 1958 in a report presented at the Nanning conference. Indeed, this "new" program was little more than an elaboration of the original Draft Program of Agricultural Development issued in January 1956, at which time Mao had already predicted miraculous increases in production amounting to double, several fold, and "in some cases more than ten times or scores of times." What was new in the spring and summer of 1958 was the fanatical determination with which the program was pushed--a process in which the party almost literally displaced the government and agricultural specialists in the planning and management of agricultural production. It is of considerable importance to grasp the nature of this process, the first example of "politics taking command," since it was to establish a pattern for subsequent developments in the national economy throughout the remainder of the year.

Broadly speaking, it was a threefold process accompanied by a fierce indoctrination campaign for the purpose of persuading the skeptics and intimidating the opposition. First to appear was a new "mobilization" system of planning. Known as the "two-account" system, it was designed initially to provide both "dependable" targets (the relatively reasonable "first account" goals set by the central government which were to serve as the basis for measuring plan fulfillment) and "active" targets (the "leap forward" goals set by the provinces which were for the express purpose of "mobilizing and inspiring the masses"). But almost immediately the safeguards for preserving a hard-core planning and statistical reporting system at the central government level were swept away in a rising tide of "anti-conservatism." As reported in the April issue of Planned Economy, "some leading officials" in the central planning organs were already under attack for "discounting the activism of the masses." By the close of the May party congress--the event which clearly marks the assumption of party control over the economy--the "leap forward" goals were firmly

~~SECRET~~

~~SECRET~~

incorporated into the national economic plan, with even more widely unrealistic targets mushrooming at the provincial, administrative district, county, and agricultural cooperative levels.

The rationale underlying this new system of "mobilization" planning was expressed succinctly in a People's Daily editorial on 5 November. "Experience has demonstrated that once politics takes command, once ideology is liberated, and once advanced targets are set after holding large-scale mass debates, then production ardor is greatly expanded and production is correspondingly increased." After this, it was but a short step to subordinating statistical work to "the central missions of the party for the sake of politics and for the benefit or production." The immediate objection raised by "some comrades"--that "direct leadership by party committees would impair the scientific value and integrity of statistical work"--was (according to a People's Daily editorial on 13 August) "obviously wrong."

Next in the process of "politics taking command" over the economy was the decentralization of controls over the planning and management of agricultural production from the Ministry of Agriculture to the various provinces. Although this undertaking to bring into full play "local initiative" is usually associated with the November 1957 reforms in the industrial, commercial, and financial systems, there was a parallel development in agriculture. After Liu Shao-chi's general directive at the May party congress to grant "local authorities...greater scope...in all fields," Tan Chen-lin--the leading party specialist on rural policy--specifically applied this principle to agriculture in the following statement: "The various provinces are completely free to set up targets that will fulfill and overfulfill the Draft Twelve-Year Program of Agricultural Development ahead of time in the light of concrete conditions in their localities." Because party officials were displacing the technicians, this meant in effect that provincial party committees would plan and supervise agricultural production throughout the remainder of the year.

The disastrous effect of this decentralization of authority to provincial party officials is illustrated by the widely fluctuating data reported in 1958-59 by

~~SECRET~~

~~SECRET~~

Honan Province, in many ways the prototype of both the "leap forward" and commune programs. Starting from a production base of only 12,000,000 tons of grain in 1957 and relatively modest increases scheduled early in 1958, the provincial party committee in May raised the target to 22,500,000 tons; in October estimated that actual production would reach 36,000,000 tons; and late in the year fixed the 1959 goal at 50,000,000 tons. At the time of the great recantation in October 1959, the actual 1958 production figure had plummeted to 19,000,000 tons and the 1959 plan readjusted to only 22,000,000 tons.

The final stage in the assumption of party control over agricultural development was the adoption of a set of "more advanced" agricultural techniques which came to be known as the "eight-point charter of agricultural production." Described as a codification of the rich experience gained in the cultivation of experimental high-yield plots in the spring and summer of 1958, this "garden culture" technique consisted of eight basic rules of agricultural production (irrigation, fertilization, deep-plowing, close-planting, utilization of improved seeds, plant protection, tool improvement and innovation, and efficient organization and management of field work), with special emphasis on deep plowing and close planting as the means for achieving a technological breakthrough in agriculture. Although basically an outgrowth of production measures incorporated the Draft Twelve-Year Agricultural Program, the two qualitatively new additions of close planting and deep plowing were the very ones promoted most vigorously in 1958 by Chairman Mao, despite "resistance from conservative and backward ideas," and the very ones which would fall into disrepute in the period of sober reassessment in the spring of 1959.

In a revealing account of a visit to Anhwei Province on 18 September, Mao was described as having "assessed and defined deep plowing to an extent not attempted by agricultural specialists" and was quoted as follows:

Deep plowing is necessary to store water and fertilizer; without it, even a larger supply of water and fertilizer will not help. In the north, we must plow to a depth of over one foot; in the south, to a depth of 7-8 inches...Deep plowing will connect the water on the ground with the water underground...It is also good for getting rid of weeds,

~~SECRET~~

~~SECRET~~

and this is good for getting rid of insects. Deep plowing is the foundation of close planting; if we get deeper down, we will have a higher yield. In this way, one mow can count as three.

Thus the ill-starred "three-thirds" system, which Mao had advocated as early as mid-August in Hopeh Province, was already an integral part of his "ideology" on rapid development of the agricultural economy through the people's commune.

The so-called "three-thirds system" was, according to Liu Shao-chi in September, to result in the reduction of sown acreage "in the next several years" to one third of the existing level. This one third, by means of phenomenally high yields, was to account for all food and fiber crop; another one third was to be used for fallow rotation and pasturage; and the remaining one third was to be converted to forests and lakes, thus "beautifying" the entire country. This extraordinary plan must be accounted as another vivid illustration of Mao's (and Liu's) propensity to make a virtue of necessity, to transform "bad things into good things" by exercising the magical properties of the dialectic. Just as Mao in his February 1957 "contradictions" speech had characterized China's teeming population "a good thing," he now in effect was characterizing the critical shortage of crop land "a good thing," as it facilitated introducing the most highly intensive cultivation techniques ever attempted by man.

In an authoritative speech in early October, Deputy Minister of Agriculture Liu Jui-lung asserted that Mao's "ideology" and the production successes already achieved had both refuted the Malthusian theory of population and repealed the so-called "law of diminishing returns of land." Liu went on to attack China's bourgeois agronomists, who "are of the opinion that the party's direction and policy do not reflect objective law and are of no scientific value" and who "are stubbornly unwilling to see and hear the facts about the great leap forward in agriculture and the big increase in grain output." He concluded with a warning that "the task of scientists is to do research work according to the party's direction and policy" and directed them to take "Chairman Mao's ideology as basic" in their future research and study of the agricultural economy. First agricultural planning, then agricultural statistics, and now agricultural science was being subordinated to political ends in the best Stalinist tradition.

~~SECRET~~

~~SECRET~~

Following the declaration (advanced as early as August by Tan Chen-lin) that China had "basically solved its food problem," it was possible to shift the emphasis in agricultural production to industrial crops and to the multiple economy of forestry, animal husbandry, fishing, and sideline production in the countryside. Although the applicability of the new large-scale collective production techniques to the output of meat, vegetables, and other subsidiary farm produce was open to question, this was undoubtedly an integral part of the original commune concept. As indicated in the August resolution and spelled out in a People's Daily editorial on 3 September, "the last remnants of individual ownership of the means of production" (consisting of the private plots of land, orchards, livestock, and a portion of the larger production tools belonging to individual peasants) were to be transferred to the ownership of the commune. Chairman Mao, on tour in Anhwei Province in September, spoke approvingly of the "centralized" and "specialized" raising of hogs and vegetables under commune control. The most explicit statement of the advantages accruing from commune production of meat and vegetables appeared subsequently in a People's Daily editorial on 10 November:

In the past, when peasants used to grow vegetables on their small plots of private land, most of them could only do it in their spare time after working in the fields, and few could adopt advanced measures in increasing vegetable production. Now, as the small private plots of all commune members have been put under unified operation of the commune, it is entirely possible for the commune to take each production team or each mess hall as a unit and organize specialized groups for growing vegetables and raising pigs in a centralized manner as well as adopting advanced measures in production, striving for bumper harvests of both vegetables and meats.

Thus the revolution in agricultural technology was to encompass all phases of the agrarian economy.

2. The "Leap Forward" in Industry

Following large-scale agricultural construction and production, a second function of the commune was to promote

~~SECRET~~

~~SECRET~~

a "leap forward" in industrial development. That Communist China's leaders apparently believed confidently in 1958 that they had discovered a short cut to industrialization continues to perplex Western observers. The first step in understanding China's "mass line" of industrial development is to realize that it was based on faulty premises, characterized by shifting content, and, in its latter stages, marked by almost desperate improvisation.

Perhaps the basic misconception was the belief that techniques which had proven relatively successful in promoting the "leap forward" in agriculture could be applied to the infinitely more complex process of industrialization. These techniques, as noted above, were: (1) rapid decentralization of controls from the central to provincial and lower levels of government in order to stimulate local initiative; (2) displacement of experts and technicians by party cadres in economic planning and management; and (3) reliance on labor-intensive "native" technology performed by the "greatest labor army in the world." As glorified in Chinese Communist propaganda the masses, of whom 80 percent were peasants, were expected to contribute their "unlimited wisdom and creativeness" and, perhaps more important, the labor and funds necessary to effect rapid industrialization. This in broad outline was the rationale underlying the "leap forward" program of industrial development--a program which evolved hand in hand with the communes (as noted in an earlier chapter of this study) in the spring and summer of 1958. A brief examination of this early formative period is essential to an understanding of the crisis in China's industrialization program occurring just prior to the Wuhan central committee plenum in December.

Although decentralization of the industrial control system appeared first in the form of a State Council decree of November 1957, it was not until the Chengtu party conference in March 1958 that measures were adopted to implement this decree. The first was the decision to hand over to local authorities nearly all industrial enterprises under central government ministry control. The second was an important innovation in industrial planning called the "double track" system, which sought to dovetail planning based on function (for example, the nation's coal industry), performed at the central government level, and planning based on geographic areas (for example, all economic activity carried on within a province), performed principally at the provincial government level. An integral feature

~~SECRET~~

~~SECRET~~

of this system was the creation of seven economic coordination zones (each consisting of several provinces) designed to promote economic development on a regional basis and provide a connecting link between the planners in Peiping and in the provinces.

It was within this framework of progressively smaller geographic areas that the local industrial development program was to be carried on, tapping latent capacity and exploiting local initiative at each level, while at the same time providing safeguards for centralized leadership and over-all planning. Minister of Machine Building Chao Er-lu in late May spoke of the need to treat the various economic coordination zones as "chessboards"* and called for the construction of relatively complete industrial systems within each zone, each with a nucleus of large plants surrounded by a number of medium and small installations distributed among individual provinces. Chairman Mao was to refer in August to this revolutionary transformation of China's industrial planning and management system as follows:

Local authorities must find ways of building independent industrial systems. This should be done first in economic coordination zones and then in many provinces. Given the necessary conditions, all must establish relatively independent but varying industrial systems.

The same article, appearing in People's Daily on 16 August, went on to reveal that "Chairman Mao was also anxious to know when local industrial bases at the administrative district and county levels could be built."

As with the other planning innovation--"the two account system"--however, the safeguards inserted by the planners to prevent excessive decentralization were soon overridden. By 1 July, Po I-po, the party's chief spokesman for the "leap forward" in industry, was demanding in the interest of "maximum speed" that "provinces, municipalities, autonomous regions, and even special administrative districts, counties,

*To anticipate, the appearance in November of the slogan "treat the whole nation as a chessboard" would signal the end of this radical experiment in the decentralization of industry.

~~SECRET~~

~~SECRET~~

townships, and cooperatives be given a free hand in building industry with their own resources and those of the people."

The decision to rely on labor-intensive "native" technology to promote a "leap forward" in industrial development appears also to have originated at the Chengtu party conference. A New China News Agency dispatch of 20 March issued in the later stages of the conference contained the first reference to "the policy of having our 600,000,000 people run industrial enterprises by means of the mass line and the coordination of large, medium, and small enterprises."

At first, however, the new program appeared to place equal emphasis on modern installations, with the provinces constructing and managing medium-size enterprises and the counties responsible for small ones. For example, it was announced in early April, following the preparation of standardized designs by the Ministry of Metallurgical Industry, that 350 small modern blast furnaces would start construction in 1958, and subsequent announcements referred to similar plans for small-scale steel converters and steel-rolling plants to serve as a nucleus for local industry. The principal role of the peasants in this phase of the program appeared to be one of contributing the necessary investment funds funneled through the agricultural cooperative to the county and provincial governments.

But again the party's call for rapid industrial development demanded more immediate results than the specialists could deliver under the small modern plant program. Instructed by Chairman Mao to devote "60 to 70 percent of our strength to local industry" and at the same time ordered to rely on their own resources, the provinces were driven to undertake a gigantic and, as it turned out, ill-fated experiment in "native" industrial technology. Once more it was Honan Province leading the way with the announcement in late March of a plan to construct over 1,000 "native" iron furnaces to commence production by 1 July. Successive national metallurgical industry conferences in April and May both approved the adoption of "native" techniques in pig iron production and doubled and redoubled the original targets for local industry. By 7 June People's Daily could report that "an unprecedented

~~SECRET~~

~~SECRET~~

mass movement to build small furnaces was just now appearing throughout the country" supported by a "labor army of 600 million."

In a key article appearing in the 1 July issue of Red Flag, the party's top theoretical journal, Po I-po firmly introduced "native" technology into China's new approach to industrialization. After refuting the "mysterious notions" that industry must be large and be constructed, financed, and managed by the state, Po went on to analyze a third "mysterious notion" about industrial construction.

Some people immediately want to build industrial plants of a high standard, to build modern, mechanized, and automatic enterprises to be designed abroad and installed with imported equipment, instead of setting up enterprises of both high and low standards at the same time and of using both the native and foreign ways realistically in keeping with the concrete conditions of our country....

These people fail to understand that low standards can be raised to high standards and native ways can be made as good as foreign ways.... It is especially wrong to regard the small, low-standard, native industrial enterprises such as those established by local authorities and the masses as incompatible with science and to discriminate against them... The low standard things and native ways of today will in the future become as effective as high-standard things and foreign ways.

To clinch the argument for those still skeptical about the feasibility of combining "native" and "modern" methods, Po cited the Marxist dictum: "Many quantitative changes beyond a certain point pass into qualitative changes." In the last analysis, this mystical union between "native" and "modern" technology was to be taken on faith--as merely another illustration of the dialectical law of the development of things.

Po I-po stressed that the "basic force in this industrial revolution was China's 500,000,000 peasants, "not ordinary peasants but revolutionary peasants who are organized and taking the road to socialism." The recent decision to develop "at great

~~SECRET~~

~~SECRET~~

speed" such basic industries as iron and steel and coal meant that the necessary raw materials for these industries would have to be mined "mainly by the peasants." As evidence of the "great speed" of industrial development anticipated by the Chinese Communist leadership, Po estimated that steel production in 1958 would double to exceed 10,000,000 tons and might surpass 20,000,000 tons in 1959, a piece of "really astonishing news...not only to the spokesmen of the bourgeoisie living in London and New York but also to some people living in our great land too." Then, in a cryptic reference to the impending commune program, the deputy premier stated that these developments had "created a new situation and posed a new question." Taken in conjunction with Chen Po-ta's concurrent Red Flag article introducing the people's commune, Po's discussion clearly implied that the commune had been selected as the instrument for mobilizing China's revolutionary peasants in a program of industrial development conducted at a "really astonishing" rate.

A "decisive factor" in the implementation of this program, according to Po, was "the leadership of the Communist party." Three additional events in the spring and summer of 1958 symbolized the assumption of party control over the planning and management of China's industry. The first was the acknowledgement that the decision at Chengtu to apply the mass line to industrialization had been taken over the protest of a number of "economic workers and technical personnel." Then in May the politburo took over the function of formulating and announcing "leap forward" goals in the iron and steel industry. Finally, in striking contrast with earlier more realistic estimates by central government planners, party cadres by mid-summer had nearly tripled the number of China's counties said to be endowed with substantial deposits of iron and coal. The "leap forward" in industry apparently required a corresponding "leap forward" in the availability of natural resources.

Preoccupied with the early stages of the commune movement in the summer months, the party leadership had done little by the time it assembled at Peitaiho in late August to implement this grandiose plan of industrial development. Steel production through August stood at only 4,400,000 tons, and the production figure for pig iron was not much

~~SECRET~~

~~SECRET~~

higher. The expanded plenary session of the politburo quickly remedied this defect by issuing an even greater "leap forward" target for steel of 10,700,000 tons, an inspiring goal which had the additional virtue of being exactly double the 1957 output. Just as grain had been identified as the "principal contradiction" in the agricultural sector, so was steel now characterized as the "principal contradiction" in the industrial development program, the "commander in chief" of the entire industrial system. As Chairman Mao was to point out shortly thereafter in his speech to the Supreme State Conference on 8 September, the successes already achieved in agricultural production permitted the shifting of emphasis from agricultural and rural work to industrial construction.

A Honan party secretary subsequently revealed (in the 3 October People's Daily) that Mao had been quite explicit in spelling out this shift in policy, issuing a directive at the party conclave "to launch a great leap forward in iron and steel production by 15 September." The simultaneous launching of the commune movement on a nationwide scale and the immediate implementation of an important feature of the commune--"getting organized along military lines"--were indispensable to the mass iron and steel drive. By 15 September, the deadline set by Mao, the labor army "working around the clock" on the iron and steel front already numbered 20,000,000, and by 30 September it had jumped to 50,000,000, with twice that number participating both directly and indirectly.

Three facts about the mass iron and steel movement initiated at Peitaiho deserve special emphasis. The first was the opposition from the outset of the technicians who objected to "native" installations on the grounds that they were "too backward" and "wasteful." These were the skeptics whom Mao was to attack in late September, citing their contemptuous references to the mass movement in industry as "irregular," "of rural style," and "analogous to the practice of guerrilla warfare." The second was the total commitment of the Chinese Communist leadership to fulfillment of the steel target of 10,700,000 tons, characterized in the 1 September People's Daily editorial as "the most important political mission confronting the party and the people." Other party organ editorials in early September asserted that "this mission

~~SECRET~~

~~SECRET~~

must be completed under any circumstances" and that "we must not fall even one ton short of the target." This commitment of party prestige goes far to explain the excesses of the program in the later months of the year.

The third fact, not generally appreciated by Western observers, is that the mass campaign was originally intended to apply almost exclusively to the production of "native" pig iron, on the assumption that the product of these primitive installations could then be refined in modern steel furnaces. This point was established quite clearly in People's Daily editorials on 1 and 14 September which declared that existing steel production capacity would be quite adequate to meet the 10,700,000 ton goal once new machinery and equipment had been installed. Modern facilities for the production of pig iron, on the other hand, were woefully inadequate. Of the total pig iron required in the remaining four months of the year, over half would have to be supplied by the hundreds of thousands of "native" furnaces mushrooming throughout the countryside.

The consequences of this fundamental misconception--that "native" iron fed to modern furnaces could in fact produce a standard grade of steel--were to precipitate a crisis of major proportions in China's mass industrialization program just prior to the December plenum of the central committee. Although this will be discussed in a later section of this paper, together with other domestic problems confronting the regime, what should be noted at this point is the mood of supreme confidence in the 31 August communiqué on the results of the Peitaiho party conference. After estimating a jump of 60 to 80 percent in grain production and a doubling of steel production in 1958, the communiqué asserted that China's industry and agriculture would "continue to forge ahead at the 1958 speed or at a still higher speed...ensuring that the question of production and supply of grain, cotton, and edible vegetable oils will be completely solved in the shortest possible time and the backward state of our industry basically changed in the shortest possible time." With this dazzling prospectus of sustained rapid economic growth a matter of public record, Communist China's leadership would find itself hard pressed to rationalize the descent to reality initiated at the December party conference.

~~SECRET~~

~~SECRET~~

3. The "Leap Forward" in Agricultural Mechanization

The third and final function of the commune conceived primarily as an economic organization was to provide, according to a 12 September People's Daily editorial, a "short-cut to the mechanization and electrification of agriculture." If, as some Western analysts have observed, the commune was essentially a mechanism to substitute regimented manpower for machinery in solving China's agricultural problem, it is equally true that the Chinese Communists considered this only a first step in a comprehensive program of economic development leading to industrialization and the mechanization and electrification of agriculture. As was the case with the mass line of industrial development, however, the program of technical revolution in agriculture introduced in the spring of 1958 was based on faulty premises, characterized by shifting content and destined for ignominious failure.

The main outlines of the program were revealed just prior to the May party congress in a 28 April New China News Agency release holding forth the early prospect of agricultural mechanization ("within a few years") to be realized progressively through preliminary stages of tool reform and semimechanization. Because of a shortage of rolled steel for machinery, it was necessary first of all "to launch a nationwide movement to improve existing farm implements, thus bridging this year's gap and ensuring a bumper harvest." A People's Daily editorial on 6 May was more specific in defining the categories of semimechanization (various types of animal-drawn modern farm implements) and mechanization (various kinds of power-driven agricultural machinery). In his May party congress report, Tan Chen-lin indicated, moreover, that these goals were to be realized "through the expansion of small-scale local industry and by relying on the funds accumulated by the agricultural co-operatives."

Agricultural mechanization was prominently featured in a key article by Minister of Machine Building Chao Er-lu appearing in People's Daily of 31 May. After listing the quantities of various types of equipment (varying from sets of ball bearings through irrigation and electrical generating equipment to tractors) necessary to achieve "basic" mechanization and "preliminary" electrification of China's agriculture, Chao made it clear that the provinces would be mainly responsible for manufacturing this

~~SECRET~~

~~SECRET~~

equipment, relying on their own resources soon to be augmented by the transfer of plants from the central government under the industrial decentralization program. To round out the system, small repair and manufacturing plants on the county level were to produce simple agricultural equipment (the improved farm implements of the mass tool-reform movement), with repair stations on the townships and agricultural cooperative levels performing the functions of maintenance and upkeep. Despite the diversified approach to mechanization revealed in Chao's article, interest at this stage appeared to center on the manufacture of small, multipurpose tractors. Various provinces (e.g., Kirin, Kwantung, and Anhwei) announced plans throughout the summer months to produce from 5,000 to 10,000 of these tractors per year, and it was subsequently announced that 40,000 would be manufactured in 1958 alone. With the exception of several hundred models produced on an experimental basis, however, no more would be heard of this sudden foray into the large-scale production of baby tractors.

China's program leading to agricultural mechanization veered sharply onto a new tack in August when, together with the launching of the mass iron and steel campaign, the mass movement for reform and improvement of farm tools was intensified and expanded. Chairman Mao, assuming leadership over this campaign as well, issued the following instruction:

Party committees at all levels must investigate the situation, determining the number of farm implements in need of reform and the number of tools and equipment requiring installation of ball bearings. They must draw up a plan, determine the order of priority and estimate the time of completion--all of this must be concretely arranged. In this way, leadership is made specific and strengthened and the tool reform movement can better develop."

This undertaking to produce ball bearings on a mass basis (according to later data, 360,000,000 sets were to be turned out) and then install them on various types of farm production and transportation equipment was hailed as a major milestone toward agricultural mechanization. Since these elementary, low-speed ball bearings were easy

~~SECRET~~

~~SECRET~~

to produce, they could be manufactured by handicraft and agricultural cooperatives using native methods and native materials. Spectacular increases in efficiency and productivity were claimed for the implements newly equipped with ball bearings. Best of all, the process was expected to result in the "semimechanization of agriculture" by the end of the year, constituting (according to a 4 November People's Daily editorial) "the principal norm for our country at present in realizing the semimechanization of agriculture."

Even more spectacular was the sudden appearance in September of the towing-cable machine. Introduced and publicized by Tan Chen-lin at a national "on the spot" conference in Kiangsi Province, this machine comprised a system of cables and winches used to tow various kinds of plows. The virtues claimed for this invention were manifold. Varying types of towing-cable machinery could be operated by human labor, draft animals, wind, water power, electric power, or engines. The machines could be locally produced (Kiangsu Province had already manufactured 150,000 sets), were cheap enough for individual communes to purchase from their own funds, were easy to operate, and greatly increased efficiency. They could be used on all types of land and were ideally suited to perform the deep plowing of fields so essential to the achievement of high crop yields under China's "leap forward" program of agricultural development. After further experimentation and development, they could be also employed in weeding, sowing, and transplanting operations. In accordance with Chairman Mao's directive that this new device be "extensively promoted," the minister of agriculture decreed on 26 September that every commune be provided with one or more of the machines by 20 October.

The mass movement to produce and distribute towing-cable machines coincided with the announcement in mid-August of still another mass campaign for the construction of small hydroelectric power stations by the agricultural cooperatives. The completion of this program, including larger installations as well, would "make it possible to place China's agriculture on the technical basis of modern, large-scale production." Great expectations for both of these programs apparently explain the confident assertion in the title of a 12 September People's Daily editorial that China had in fact discovered "a short cut to the

~~SECRET~~

~~SECRET~~

mechanization and electrification of agriculture." The nature of this short cut was aptly summarized in the editorial:

The appearance of the towing-cable machine removes the mystic viewpoint of the people toward the mechanization and electrification of agriculture. It makes them see that agricultural mechanization and electrification is not an unattainable aim, nor is it a thing of the remote future. We can do it now, with our own hands. Agricultural mechanization and electrification can be realized without those complicated big machines [i.e. tractors], which are hard and expensive to produce. The extensive popularization of the towing-cable machine, simple and economical, is a short cut to...agricultural mechanization and electrification under the concrete conditions of our country."

Despite this glowing prospectus, the towing-cable machine, along with locally produced baby tractors and mass-produced ball bearings, was to almost completely disappear from Chinese Communist discussion of agricultural mechanization in 1959.

~~SECRET~~

~~SECRET~~

4. The "Leap Forward" and Completion of Socialist Construction

The foregoing discussion has underlined the integral relationship between the three programs dominating the Chinese scene throughout 1958--the "leap forward," the "general line of socialist construction," and the communes. We will now examine the economic pretensions of this complex of programs in the period surrounding the August commune resolution, specifically Peiping's plans to complete the stage of socialist construction at an early date in the accelerated advance to Communism.

As indicated in an earlier chapter of this study, a 1 January 1958 People's Daily editorial had estimated that it would take China 10 to 15 years "to basically complete socialist construction"--an estimate Liu Shao-chi revised in his May party congress speech to "the shortest possible time." Following the appearance of the commune and the claimed discovery of a series of short cuts to agricultural abundance, industrialization, and the mechanization and electrification of agriculture, the estimates of current and future rates of growth jumped sharply. At the same time, the "short cut" strategy clearly implied a reduction of the standards for measuring the achievement of socialism (not to mention Communism) in China. It now appeared that Peiping intended to complete the transition to socialism within three or, at the most, five years.

The three-year period 1958-60 served as a basic frame of reference for "leap forward" planning throughout all of 1958. As early as the Nanning party conference in January, Mao, as part of a forced draft program of agricultural development, had issued the slogan "Three years of bitter struggle to basically change the appearance of most areas of the country." Tan Chen-lin, in a major speech in June entitled "Strive for a Bountiful Life in Two or Three Years," revealed that Mao had subsequently enlarged the scope of this program to include the comprehensive transformation of China's "natural, spiritual, and material appearance--including industry, agriculture, culture and education, transportation and communication...." A more detailed discussion of the level of development anticipated by 1960, moreover, appeared in a series of editorials in the 1 October issues of People's Daily and Red Flag on the occasion of China's National Day.

~~SECRET~~

~~SECRET~~

The first People's Daily editorial, devoted to the miraculous agricultural harvest, claimed that China's food problem, basically solved in 1958, would be "completely solved" following an even greater "leap forward" in production in 1959. (Indeed, Chairman Mao is on record in the 16 November issue of Red Flag as having made the even more extreme prediction that grain production would double not only in 1958 but also in 1959). The editorial went on to list the criteria for agricultural abundance in China which Chairman Mao had first enunciated in June: a series of production targets expressed on an annual per capita basis, as 1,500 catties for grain, 100 catties for pork, 20 catties for vegetable oils, and 20 catties for ginned cotton. (1 catty is a little more than 1 1/10 pounds). People's Daily then declared that these goals could be achieved by 1960: "Judging from these figures, a happy prosperous life of abundant food and clothing is no longer a remote ideal and can be realized within two to three years."

In the lead People's Daily editorial of 1 October, entitled "Festival of the Whole Nation," there was additional evidence of the intended scope of Mao's three-year development program. The editorial asserted, for example, "The task of wiping out illiteracy, which in the past was considered to require ten years or even longer to complete, is now expected to be concluded in two or three years at the most." Then, although not mentioning any specific period, the editorial went on to cite the industrial "leap forward" as justifying the conclusion that "it will take much less time than originally expected for China to catch up with and surpass the foremost capitalist countries in the sphere of industry." The final dimension of the three-year program appeared in a Red Flag article of the same date calling for the people to "work indefatigably for three years so as to transform basically the appearance of scientific techniques of our country and to complete in 1962 the Twelve-Year Plan for Scientific Development and to overtake the advanced scientific and technical levels of the world."

The definitive statement of the length of time necessary to build socialism, however, had already appeared two months earlier--in a People's Daily article on 11 August by Tan Chen-lin, certainly one of the most active and vocal exponents of the "leap forward" and commune programs throughout the year. Leading up to this statement, Tan developed a theme introduced earlier by Liu Shao-chi at the May party congress--that ever

~~SECRET~~

~~SECRET~~

since the founding of the regime, Chairman Mao had consistently advocated the maximum pace of development in the "struggle" over the rate of speed in socialist revolution and socialist construction. To document this assertion, Tan revealed for the first time that as early as 1950, Mao had selected 1962 as the terminal date for completing the building of socialism in China. The relevant passage deserves full quotation:

As far back as the third plenum of the Seventh central committee held in 1950, Comrade Mao put forward a call for three years of preparation and ten years of construction to build our country into a modern socialist state...The development of our socialist construction is proving fully and will continue to prove the correctness and precision of Comrade Mao's foresight. Are not things developing along the lines as anticipated by Comrade Mao?

A later reference in the article to the "rapid completion of socialist construction and the advance toward Communism" underlined the significance of Tan Chen-lin's conclusion. The period of time necessary to complete the historical stage of the transition to socialism had been telescoped from the January estimate of 10 to 15 years to a maximum of five years, with 1962 (if not 1960) marking the completion of one stage and at the same time the formal inauguration of a new higher stage--the transition to Communism.

B. The Commune and the Chinese Road to Communism

As stated in the August commune resolution, the people's commune was "the best form of organization" not only for "the attainment of socialism" but also for "exploring the practical road of transition to Communism," the achievement of which in China was "no longer a remote future event." It was this ideological pretension which provoked severe Soviet displeasure, expressed in Moscow's early and persistent refusal to recognize the communes' existence. Although the Chinese were usually punctilious in conceding (as in the August resolution) that their present task was building socialism, the implication was clear that at the same time they were, to quote a 1 November Red Flag editorial, "taking gradual steps toward Communism." This telescoping of the revolutionary process--the

~~SECRET~~

~~SECRET~~

conscious blurring of the stages of socialism and Communism-- has been a source of much confusion to Western and Soviet observers alike, not to mention a great many of the Chinese themselves.

Before turning to a detailed examination of this phenomenon, three preliminary observations may be helpful to the reader. The first is that a great deal of Chinese Communist discussion on this point was little more than an exercise in semantics, a word game in which it was possible to "advance toward Communism" before entering the formal stage of "transition to Communism." The second is that many of the commune features identified as "the first shoots of Communism" were pragmatically conceived as a means of promoting and sustaining the "leap forward" program of economic development discussed above. The third is that the inspiration and rationale for this audacious undertaking was provided by a theoretical innovation advanced by Chairman Mao--his ingenious, if heretical, version of the Marxist-Leninist theory of "uninterrupted revolution."

1. The Commune and "Uninterrupted Revolution"

The importance of Mao's concept of "uninterrupted revolution" can hardly be exaggerated. In a sense, it epitomizes "Mao's ideology" as a distinctive variant of Marxism-Leninism as developed in the Soviet Union. As a representative expression of Mao's world view, this innovation was anticipated as early as 1955, was clearly implied in his famous "On Contradictions" speech in February 1957, and was advanced as the theoretical justification both for the commune program and the headlong advance to Communism in 1958. What is more, after a temporary eclipse in the first half of 1959, it has emerged once more as a basic tenet of Communist China's current policies and programs. (It is more than coincidental that both the initial publicizing of this theoretical innovation in September 1958 and its resurgence a year later were accompanied by the claim that Mao was the outstanding Marxist-Leninist theoretician of the age.)

As analyzed in a definitive discussion appearing in the 10 October issue of Study (the central committee organ now superseded by Red Flag), Mao's innovation was presented as a

- 25 -

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

"creative development" of the Marxist-Leninist theory of "un-interrupted revolution." An early formulation advanced by Marx and Engels to sanction the rapid transformation of "bourgeois democratic" revolution into the stage of socialist revolution, the idea had been expanded by Mao to become a principle governing the entire course of revolution in China. Possessed of a "new content and new significance," it had become a theory "guiding the rapid development of socialist society and guiding the rapid transition of a socialist society to a Communist society." (Underlining added) Moreover, this innovation stemmed from Mao's earlier "creative development" of dialectical and historical materialism in his February 1957 speech "On Contradictions"--especially his contention at that time that contradictions were inherent in a socialist society (as well as in earlier societies) and as such required constant study and appropriate solutions. The scope of Mao's concept was clearly indicated in the following excerpt from the Study article:

In accordance with the dialectical law of the development of things in which contradictions constantly arise and are constantly solved, Chairman Mao did not restrict the application of this Marxist-Leninist theory of uninterrupted revolution to the one point of democratic revolution changing into socialist revolution but...fully extended the application of this theory in order to guide the complete revolutionary movement of our country, including the new democratic revolution, socialist revolution, socialist construction and the transition from socialism to Communism."

The practical purpose of this doctrinal innovation, as well as the admission that it had aroused criticism (presumably from both domestic and Soviet sources), appeared in the following key passage:

There are some who ask in alarm: when you advocate uninterrupted revolution in a socialist society, what is the object of the revolution? Actually, viewed from the standpoint of Marxists, the objects of revolution always are the production relations and the super-structure, which at the time are lagging behind the development of the productive forces and therefore interfering with the development of the productive forces Marxists must not conceal contradictions and also must not shun revolution.... Whoever understands these

~~SECRET~~

~~SECRET~~

general truths will not think it strange that it is still necessary to advocate uninterrupted revolution in a socialist society...At present, the theory of uninterrupted revolution is being used to guide our country's revolution in order to construct socialism in a better, faster, and cheaper manner and thereby to create the conditions for realizing Communism."
(Underlining supplied)

It was just at this point that Mao's concept of "uninterrupted revolution"--first enunciated at a January 1958 party conference, though perhaps in truncated form--and its offspring the commune deviated sharply from Soviet experience in the socialist transformation of agriculture. The Soviet model, which Khrushchev and other Russian spokesman refer to as "Lenin's cooperative plan," called for collectivization (advances in production relations) to take place together with industrialization and mechanization (advances in the productive forces). As one Soviet source recently put it, "Lenin's plan of agricultural organization is based on the existence of agricultural machinery." What might be referred to as Mao's plan of agricultural organization, revealed as early as 1955 in his frenetic acceleration of agricultural collectivization and reaching a climax with the formation of communes in 1958, is the undertaking to establish progressively higher levels of collective production relations in advance of industrialization and mechanization. As noted in earlier sections of this paper, the premise has been and remains that regimented manpower--"the greatest labor army in the world"--can be substituted for tractors and other agricultural machinery in a program of rapid agricultural development leading to the early achievement of a modern industrial economy.

That Mao's plan has all along encountered opposition within the party was freely admitted by Liu Shao-chi in two authoritative discussions of recent party history. In his famous party congress report of May 1958, Liu referred to the speed of socialist transformation and construction as the problem "around which the struggle has centered." In his major article "The Victory of Marxism-Leninism in China," published on 1 October 1959, Liu cited the contention of Mao's opponents "that the level of industrialization was still very low and that we were not yet in a position to effect the mechanization of agriculture, so it was impossible

~~SECRET~~

~~SECRET~~

and improper to bring agricultural cooperation into being very quickly." Although his remarks were ostensibly directed to the earlier stage of agricultural collectivization, it was clear that Liu was countering the charge of party critics that the communes had been "set up much too soon."

Conspicuously absent from high-level discussions was the fact that these party critics had consistently appealed to Soviet precedent to support their position. As revealed in a 4 October 1959 issue of the provincial party organ Shansi Jih-pao, these critics had "all along cited the experience of the Soviet Union as the basis for their argument...that the cooperative movement could wait till industry was powerful enough to produce large machinery for agriculture." Instead of discussing this argument on its merits, however, the article merely asserted that "these skeptical comrades have not correctly understood the Soviet experience concerning the relationship between industrialization and agricultural collectivization and the relationship between agricultural collectivization and agricultural mechanization during the period of Soviet socialist construction."

Thus, Mao's concept of "uninterrupted revolution," the ideological foundation of the commune, was a denial of the validity of Soviet experience in agriculture and at the same time a distortion of the traditional Marxist dictum that production relations are necessarily determined by the level of development of the productive forces. It was to have a deleterious effect on Sino-Soviet relations, leading to the implied Soviet charge that the communes had been established prematurely and were the product of an "adventurist" policy. It was also to lead to an abrupt and embarrassing retreat in the December commune resolution, with its belated acknowledgment of the "fundamental principle of Marxism.../that/...only when the productive forces develop to a certain stage will certain changes be brought about in production relations."

2. The Commune and Economic Development

The Chinese Communists have consistently defended their unorthodox trilogy of programs--the general line of socialist construction, the "leap forward," and the communes--as the product of historical necessity reflecting the special characteristics of their country. As noted in an earlier chapter

~~SECRET~~

~~SECRET~~

of this study, these characteristics have been listed as "a large territory, a large population, a small amount of arable land, and a predominantly agrarian economy" and summarized by Chairman Mao in the phrase "poor and blank." In their view, a program calling for total mobilization of all available resources was required in order to break through these barriers to economic and social development. Whereas Khrushchev in mid-1959 was to stress that the lack of "necessary material conditions" had foredoomed the early Soviet experiment with communes, Chairman Mao in 1958 arrived at just the opposite conclusion--that under the conditions of a "have-not," underdeveloped Oriental economy, the commune itself would have to be the instrument to effect rapid economic development.

This utilitarian concept of the commune, already emphasized in the context of specific "leap forward" programs, deserves further discussion at this point in terms of three functional characteristics of the commune organization. According to a Red Flag article on 1 October these characteristics consisted of innovations "in the ownership of the means of production, in distribution, and in labor," all designed "to promote the development of the productive forces at the fastest possible rate."

The first step in this total mobilization of resources was to vest the commune with ownership over all means of production in the countryside. Although the August resolution permitted some latitude with respect to timing, there can be no question that the regime intended to implement this measure and did in fact enforce it on a wide scale within a matter of weeks. By taking over "the last remnants of individual ownership of the means of production"--principally, the "private plots" of land, small livestock, and larger production tools belonging to individual peasants--the commune gained control over the last remaining source of private income for the peasant (traditionally accounting for 20 to 30 percent of his annual income) and reduced him to a status of total dependency on the commune for his livelihood. At the same time, it made available to the commune for collective large-scale production the total labor power of the peasantry. By mid-October, party economic specialist Li Hsien-nien appeared to regard the disappearance of private ownership of the means of production as an accomplished fact when he noted that "commune members no longer retain land for their own use" and stressed the need for commune-wide planning of all economic activity.

~~SECRET~~

~~SECRET~~

The second step in the total mobilization of resources was the extension of more rigid and effective controls over peasant consumption. Already implicit in the first step, this was to take the form of the famous commune distribution system consisting of equal portions of "free supply" and wages and to be implemented by the equally famous institution of the commune mess hall. That the new distribution system was clearly designed to restrict consumption has, however, been lost sight of by some Western observers. Despite the propaganda claim that the peasants could "eat their fill" under the new system of "free" food supply, the Chinese Communists revealed in more candid discussions that the commune was expected to ration foodstuffs to its members according to standards or quotas set by the state. Since the size of this ration (500 catties of foodstuffs per capita per year was the usual figure given) was little more than actual peasant consumption in 1956 and 1957, it is clear that the regime intended to hold the peasants' share of China's new "abundance" of foodstuffs to a minimum.

The corollary of minimizing consumption was, of course, maximizing savings and investment. And it was here that the commune was expected to perform one of its most important functions as a mechanism for converting a sizable agricultural surplus into investment for industry. Indeed, the validity of the Chinese claim, appearing in a People's Daily editorial on 1 October, that their "leap forward" program of economic development "had enriched people's knowledge of economic laws in a socialist society...and developed socialist political economy" depended largely on the successful performance of this function. According to this editorial, the Chinese program had disproved the former theory that rapid agricultural development was dependent on modern industry supplying machinery, electricity, and chemical fertilizer. On the contrary, it had demonstrated that, in China's concrete conditions, the prior development of agriculture was a prerequisite for rapid industrial development. The nexus between these "leap forward" programs was to be the greatly augmented accumulation (investment) fund of the communes.

Liu Shao-chi had indicated as early as May that these rural savings would be used "to place immense orders for industrial products, including farm machinery, chemical

~~SECRET~~

~~SECRET~~

fertilizer, building materials, fuel, electric power, and transport facilities...and to contribute...large amounts of funds for industrial construction by the state...and for construction of small industrial installations in the villages." It was planned, in other words, to allocate these funds for three separate but related purposes--to finance the purchase of agricultural producer goods from existing industrial plants, to help finance the construction of modern industry through increased tax payments to the state and through "contributions" to county and provincial governments, and to finance the construction of "native" industry on the commune level.

Chinese Communist publications during this period were full of optimistic plans by individual communes to achieve within a short span (usually three years) agricultural mechanization, electrification, and even industrialization by means of their large accumulation funds. In a 16 September Red Flag article, for example, the Honan Province first secretary singled out a commune which had sufficient capital to complete agricultural mechanization in 1958 if only the necessary machinery were available.

The scope of the program, however, was nationwide and the plan to siphon off this new source of wealth ambitious. As pointed out by a specialist on China's national income in a 13 October People's Daily article, it was anticipated that the accumulation rate (the ratio of savings to total net income) of the communes would reach 30 to 40 percent in 1958 and thereafter, a level three to four times that attained by the old agricultural cooperatives. In the Chinese view, the commune would make it possible to telescope the painful process of "primitive accumulation" experienced by any agrarian society bent on industrialization.

The third and by far the most important resource in the total mobilization program was human labor power. If one were to seek a common denominator for all the innovations introduced by the Chinese Communists in 1958, it would be the intensive exploitation of this factor of labor power to a degree never before attempted in history. As Liu Shao-chi had indicated in his May congress report, "It is man that counts"--but man conceived as a producer, not consumer, and man organized into labor armies for mass movements and shock campaigns in nearly every field of economic activity. The

~~SECRET~~

~~SECRET~~

slogan was physical labor for all, not just the workers and peasants but also the party and government cadres (including Mao himself), the intellectuals, students of all ages, and the women newly "liberated" from their household chores for labor in the fields. For justification the Chinese Communists looked to the early doctrinal writings of Marx and Engels, who shared their views on the centrality of human labor in the production process.

Indeed, the inspiration for China's peasant "labor army" was drawn directly from the Communist Manifesto which had called a century earlier for the "establishment of industrial armies, especially for agriculture." It was Liu Shao-chi who rationalized the need for this radical undertaking "to mobilize hundreds of millions of people" by invoking China's special conditions in the following key passage from his May party congress report:

Surely one should be able to see that a really terribly tense situation would exist if more than 600 million people had to live in poverty and without culture, had to exert their utmost efforts just to eke out a bare living, unable to resist natural calamities effectively, unable to put a quick stop to possible foreign aggression, and should be utterly unable to master their own fate. It was to pull themselves out of such a situation that the hundreds of millions of our people summoned up their energies to throw themselves, full of confidence, into the heat of work and struggle. This is simply normal revolutionary activity, to which we should give our heartiest approval. This kind of "tension" is nothing to be afraid of."

The definitive discussion of the "labor army" concept, however, appeared in the 1 September Red Flag editorial on the formation of people's communes. This discussion, of fundamental importance in understanding Communist China's commune program, deserves extensive quotation.

"The broad masses of our country's working people ... have come to the conclusion that they should organize along military lines. 'Getting organized along military lines' of course does not mean that they are

~~SECRET~~

~~SECRET~~

really organized into military barracks....It simply means that the swift expansion of agriculture demands that they greatly strengthen their organization, act more quickly and with greater discipline and efficiency, so that like factory workers and soldiers they can be deployed with greater freedom and on a large scale....

The peasant leaders who have put forward these slogans do not know, perhaps, that Marx and Engels in the Communist Manifesto had long since advanced a program for the "establishment of industrial armies, especially for agriculture." But they and the broad masses of the peasants who have gone through the long years of the armed struggles of the people's revolution know perfectly well that military lines are nothing to be feared....

While no external enemies attack us, the people's communes, in which the workers, peasants, traders, students, and militiamen are merged into one, aim to storm the fortresses of nature and to march to the happy future of industrialization, urbanization, and Communism in the countryside. If and when external enemies dare to attack us, then the entire armed population will be mobilized to wipe out the enemies resolutely, thoroughly, and completely.

Would this breed 'commandism'? In our opinion, for the people's communes to be organized along military lines and to arm the entire population is a completely different matter from 'commandism'.... Actually, as the productivity of labor is being constantly raised, as the mechanization and electrification of farm work is more and more developed, as there is a constantly increasing amount of social product and the people's educational level is further raised, labor time will be gradually shortened, the intensity of labor will be gradually reduced, and in this way the possibilities of overcoming 'commandism' become greater and greater.

Three points in this extract from the most authoritative organ of the Chinese Communist party deserve special emphasis. First, China's own revolutionary tradition of armed struggle,

~~SECRET~~

~~SECRET~~

as well as the Communist Manifesto, is advanced to support the militarization of agricultural production. Other features of the commune program--especially the controversial "free supply" system--would also be defended jointly on the grounds of Marxist dogma and Chinese precedents drawn from the early revolutionary period of military communism. The second is the role of the people's militia conceived primarily as a production organization "for waging battles against nature." Although the militia system will be discussed at greater length below, it is significant that immediately after initiating the Taiwan Strait crisis the Chinese Communists regarded the commune militia more as an economic than a military organization. The third point is the elaboration of Liu Shao-chi's earlier defense of militarized production as a necessary expedient for Communist China to break through the barriers of poverty and ignorance to a life of relative abundance and ease. Despite this elaborate rationalization, the very phenomenon of 'commandism'--a euphemism for the exercise of coercion and force--discussed here was to appear on a wide scale in succeeding months and was to constitute a major factor in the decision to retreat in the December commune resolution from untenable positions.

3. Joint The Commune and the Communist Education Campaign

The second charge leveled against China's communes by Khrushchev in mid-1959 (though couched in a discussion of the abortive Soviet experiment with agricultural communes) was that they had been established in the absence of "necessary political conditions." Chinese equivocation on this point was nearly as marked as in their earlier contention that the "necessary material conditions" were present for setting up the communes. On the one hand, it was claimed that the communes were based on an already advanced level of "Communist consciousness" displayed by the 500,000,000 peasants. On the other hand, it was considered necessary to launch an intensive campaign of socialist and Communist "education" for the very purpose of overcoming peasant resistance to the radical features of the commune.

The objectives of this campaign, as revealed in a party directive of 29 August, were ambitious and manifold. As the successor to the 1957-58 antirightist and "rectification"

~~SECRET~~

~~SECRET~~

movements, it was to be still another mass political campaign featuring "blooming and contending" debates among the peasants. A time-tested indoctrination device characterized by Chairman Mao as "the best form of socialist democracy," "blooming and contending" was designed in this case to effect the following:

We must make the broad masses of peasants fully understand through the airing of views and development of arguments that the people's commune possesses greater superiority than the original agricultural cooperative; so that they may self-consciously and voluntarily transform the cooperatives into people's communes and solve, in the socialist and Communist spirit, the various economic problems related to the transformation into communes, while opposing individualism and parochialism..

Two very real "economic problems relating to the transformation into communes" were persuading the peasants to surrender their private plots, livestock, and other means of production, and effecting the merger of property belonging to individual agricultural cooperatives of widely varying economic status into the larger collective of the commune. It was here that the campaign would center its attack on "individualism" ("close attention to personal gains and losses") and "parochialism" ("caring only for the interests of individual teams, cooperatives, townships, or counties"). As the commune resolution pointed out, it was necessary "to educate the cadres and the masses in the spirit of Communism" so that "during the course of the merger" they would not insist on "minute squaring of accounts" or "bother with trifles." It was clear that the transfer of property was to be accomplished either by outright expropriation or by arrangements for deferred payment which would ultimately have the same effect. As expressed in the ominous slogan "pulling up the white flag and planting the red flag," any opposition to this policy was to be crushed as the expression of "capitalist tendencies of...the well-to-do peasants."

The ultimate goal of this campaign, however, was much more ambitious--the molding of a "new Communist man" imbued with the Communist attitude towards labor. Lenin's definition of this attitude as "voluntary, without thought of quotas, and without thought of remuneration" was, to quote a 10 October

~~SECRET~~

~~SECRET~~

Study article, "the slogan of our campaign to propagate Communist ideology." As an immediate practical aim, inculcation of this attitude would permit diverting most of the anticipated increment in agricultural income, as the directive specified, into savings and investment for industrial development.

What, then, was to be the reward for the peasant's "bitter struggle"? The party directive provided an answer in the instruction "to propagate plans for abundance in food and clothing and to propagate the future brightness and happiness of socialism and Communism." What is more, the period of time necessary to reap these future rewards for current austerity and denial was to be a short one. Chief party propagandist Lu Ting-i described the Communist educational campaign on 19 September as a means of making the people "realize throughly that their task is not only to speed up socialist construction today but also to establish a Communist society tomorrow." Another article devoted to this campaign appearing in the 15 October People's Daily developed the same theme as follows:

We must publicize long-range plans, enabling people to understand that the beautiful Communist society is no longer a matter of the distant future. Every one of our labors at present is laying the foundation for Communism. Today's bitter struggle is just for tomorrow's prosperity and happiness."

The Communist education campaign revealed the essence of China's distinctive approach to economic and social development throughout 1958. As pointed out in an important article in the 10 October issue of Study, the August commune resolution had identified "the most basic characteristics of Communism as abundant production and an elevated ideology" and "the most important means of realizing this objective as labor and education." The intensified utilization of existing labor and the exploitation of untapped labor resources would lead rapidly to the material abundance required for a Communist society. In the interim, however, the enthusiasm generated by the "beautiful prospects" of a not-far-distant Communist society was expected to provide the motive force for this prodigious outpouring of human energy. It is to this key problem of incentives that we now turn.

~~SECRET~~

~~SECRET~~

4. The Commune and the "First Shoots of Communism"

In the Chinese view, the people's commune was a "great historical significance" not only because it enabled the production forces to develop rapidly but also because it contained "the first shoots of Communism." The appearance of these "Communist factors" in the course of socialist construction was justified by Mao's heretical version of the Marxist-Leninist concept of "uninterrupted revolution"--that rudiments of a higher revolutionary stage (Communism) will appear in a lower stage (socialism). Aside from promoting the very practical ends of mobilizing labor power and limiting consumption, these distinctive features of the commune served two additional purposes. The very term "shoots of Communism" (borrowed from Lenin) suggested the imminence of Communism in China and thus provided an ideological incentive for arduous labor, and by utilizing these institutional forms, the Chinese would be the first, in the words of the August commune resolution, "to explore the practical road of transition to Communism."

a. Distribution "According to Need"

Certainly the most famous of these rudiments of Communism was the commune system of distribution incorporating elements of "free supply" (distribution "according to need," a basic criterion of Communism) and of wages (distribution "according to work," a basic criterion of socialism). The source of considerable controversy and confusion within the ranks of the Chinese Communist party, this feature of the commune was to provoke a heated dispute with the Soviet Union which still smolders today. After the marked failure of the experiment in the fall of 1958 and the humiliating retreat in the December commune resolution, there was an immediate and concerted effort to gloss over the original concept of this distribution system. It is of some importance, then, to trace the rise and fall of the wage-supply system of distribution within the people's commune.

As revealed in an early chapter of this study, Chairman Mao had gone on record as early as April in favor of a distribution system based partly on need and oriented toward the payment of wages, the two distinctive characteristics of remuneration under the commune. In his May party congress report, Liu Shao-chi had stressed the necessity of "avoiding

~~SECRET~~

~~SECRET~~

unreasonable and excessive differences" in the consumption and living standards of the workers and peasants. But it was not until the spectacular results claimed for the summer harvest and the equally spectacular estimates of the autumn harvest that the decision was made to introduce "free supply" as a major component in a new distribution system intended to apply ultimately to all of Chinese society.

Although "free supply" was discussed at the politburo session at Peitaiho in August, there is no reference to it in the commune resolution adopted at that meeting. Apparently its proponents, identified only as "some comrades," encountered opposition in the "heated discussion on the establishment of the people's communes" that is known to have taken place at this party conclave. The setback was only temporary, however, for the supply system was already being hailed as a "budding sprout of Communism" in the 1 September Red Flag editorial on communes. Within two weeks, Chairman Mao had come out unequivocally in favor of the new distribution system: "If one commune is able to provide rice free, then all other communes with favorable conditions should be able to do the same. And since rice can be provided free, then clothing can also be provided free in the future." By mid-September, Liu Shao-chi had also endorsed "free supply," vigorously denying the charge that it would "encourage idlers" and asserting that, on the contrary, it would make the peasants "more enthusiastic and active in production than before."

It remained for politburo economic and financial specialist Li Hsien-nien, writing in the 16 October issue of Red Flag, to provide the definitive discussion of the new commune distribution system. As such, it deserves extensive quotation:

Most of the people's communes follow a distribution system of part supply and part wages...The first portion is distributed according to need (evenly distributed on a per capita basis) on the basis of present conditions of production. The second portion is distributed according to labor contributed. In the case of the communes we have visited, the portion of supply in some cases covers the seven items of food, clothing, medical care, maternity care, education, housing, and marriage and funerals. In others...it is half supply and half wages, and in still others the portion of supply is bigger than wages or vice versa....

~~SECRET~~

~~SECRET~~

It is a great event without parallel in history for the peasant to have free meals for his family and draw regular income in the form of monthly wages. In the past few years there was a shortage of grain for consumption, but this is no longer the case... Some comrades suggested using the 'free meals' system at the enlarged meeting of the politburo at Peitaiho. As I see it now, it is not difficult to apply the system throughly in an over-all manner. It can also be applied to whatever product is plentiful. The portion for distribution according to needs and for supply in given quantities will be gradually increased, and the portion of payment according to work will be gradually reduced. And so the transition to Communism will be realized step by step....

To have meals free of charge while drawing regular monthly wages is an event of world significance. Since Marx put forward the far-reaching ideal of Communism, opponents have raised the question that idlers would be created as a result of carrying out the policy 'from each according to his ability, to each according to his need.' But the facts are different... On the contrary, the people have become still more industrious and work with still greater fervor and vigor. It appears that the gradual carrying out of the economic system of Communism and the enhancement of the Communist consciousness and morality of the people promote each other.

In this connection, many people have put forward the following questions: After the system of distribution of part supply and part wages is adopted for the peasants, what are we going to do for the state functionaries in rural villages? As the distribution system is adopted in rural villages, what are we going to do in urban areas? And what are we going to do for the workers, office employees, and state functionaries? It seems that the situation waits for no one and that these questions should be taken into timely consideration.

Of the many points of interest in the above discussion, the first to be noted is the claim that the new distribution system was "a great event without parallel in history" and "an event of world significance." This was significant both because it marked the beginning of the "transition to Communism" and because it revealed a concrete method for achieving

~~SECRET~~

~~SECRET~~

the future Communist society when all goods would be distributed "according to need." Next to the establishment of the commune itself, it was these ideological pretensions advanced for the commune distribution system which most displeased the Soviet party. In his speech to the 21st party congress, Khrushchev was to condemn in harsh terms this premature introduction of distribution "according to need" as resulting "not...in the transition to Communism but in the discrediting of Communism." Perhaps from a realization they were on shaky doctrinal grounds, the Chinese frequently cited the supply system of "military communism" in force during their revolutionary war period as a precedent and second line of defense for their unorthodox system of distribution within the commune.

The second point deserving emphasis is Li's assertion that this "economic system of Communism" had already inspired the Chinese people to "become still more industrious and to work with still greater fervor and vigor." This was indeed a basic premise of the commune experiment--that psychological and moral incentives (the "Communist consciousness and morality" of which Li speaks) could be substituted for material incentives as the stimulus for production. The belief that China's workers and peasants had already manifested to a high degree the "Communist attitude toward labor" was held by Chairman Mao himself who, according to an article in Red Flag on 16 November, attributed the miraculous achievements claimed for the "great leap forward" in production to "the great enthusiasm of the masses." It was this reliance on exhortation and "enthusiasm" which Khrushchev and Mikoyan were to single out as the fatal flaw in the commune experiment.

The third point to be emphasized is the intended scope of "free supply" as revealed in Li's discussion. In the select number of advanced, well-to-do communes, free supply already encompassed nearly all consumer goods and miscellaneous expenses of the peasants. Moreover, as a result of the abundant harvest, it was expected that communes of whatever financial status would be able to introduce free supply of grain "in an over-all manner." As already suggested by Chairman Mao and as subsequently spelled out by Soong Ching-ling in a People's Daily article on 3 November, the goal was "to enable China's 600 million people to eat and dress without having to pay." Under the prevailing subsistence standard

~~SECRET~~

~~SECRET~~

of living in rural areas, this meant in effect that the remaining portion of wages paid "according to work" would then be reduced to little more than pocket money.

The final point for consideration is Li's rather cryptic reference to the problem of extending the wage-supply system to apply on a nationwide basis to all segments of the population. It is somewhat surprising, in view of subsequent developments, to realize that the Chinese Communists originally intended to establish this distribution system throughout the country. Vice Chairman Chu Teh revealed to a group of army officers in late September that it was to be introduced in the armed forces, asserting, "We all feel that the supply system is better than the salary system." More specifically, a People's Liberation Army directive in November called on all officers to "vigorously support and implement the supply system."

An Tzu-wen, director of the Chinese Communist party's organization department, in an article appearing in the December issue of China's Women, expanded the scope of the new distribution system to include party and government cadres, not only in the communes but also at the county and even higher levels of the administrative hierarchy. Conceding that some cadres opposed the change to the supply system because of "erroneous views," An argued that the retention of the wage system by all or part of the cadres would "produce an undesirable effect on relations between the cadres and the masses and among the cadres themselves, while the development of production and socialist construction would be adversely affected." The implication was clear that the cadres, like the masses, were expected to tighten their belts. As An went on to say, "The gap in the living standard between cadres and the masses will undoubtedly be narrowed."

There was less certainty about the immediate applicability of the new distribution system to China's favored class--the workers in urban areas. Although it is true that Liu Shao-chi in September advocated extending the wage-supply system to industry, he apparently had in mind the new small-scale plants (including the street factories) under construction in the towns and smaller cities. A more gradual process leading to the same end was initiated in the older, established industrial areas by a concerted effort to abolish the piece-rate wage system in favor of a system of hourly wages plus bonuses. Since piece-rate wages had jumped along with the "leap forward" in production, the substitution of hourly

~~SECRET~~

~~SECRET~~

wages had the immediate practical effect of reducing the wage bill and increasing the state's take in profits and taxes.

The accompanying propaganda campaign took direct issue (in an article appearing in the 4 September issue of Teaching and Research) with the Soviet view (expressed in the Textbook on Political Economy) that the piece-wage system was "the basic form of payment for labor in socialist enterprises." It also echoed the same themes advanced in support of the commune distribution system, including the contention that "the labor activity of the workers rests primarily on Communist consciousness and not on personal material benefits." The limited number of actual experiments in the fall of 1958 suggests, however, that the problem of extending the wage-supply system of distribution to industry and other state-operated enterprises was part of the still larger problem of extending the commune movement into urban areas.

b. The Public Mess Hall and Other Communal Services

The commune was originally conceived as a more efficient mechanism not only for organizing production but also for organizing a collective way of life--the second "shoot of Communism" embodied in the commune mess halls, nurseries, kindergardens, and rural "housing estates." The individual family was no longer to be the basic economic unit in rural society; in many important respects, it was no longer to be the basic social unit either. The substitution of the commune for the family as the agency for supplying food, living quarters, education, and child care would permit the "liberation" of women from the "tyranny" of household chores, an important milestone along the road to Communism. As Lenin had indicated--a quotation which the Chinese were fond of citing--"Only in places which have begun to universally transform petty domestic chores into a socialist big economy will there be the true liberation of women and true Communism."

These radical institutions were first of all justified on the grounds of economic necessity, a means of securing badly needed labor power to undertake the manifold tasks of the "great leap forward" program in the countryside. This rationale appeared in the 1 September Red Flag editorial on communes:

~~SECRET~~

~~SECRET~~

To make full use of labor power, to enable women to play their full part in field work, and to ensure that there is no waste of the labor time of men and women, the communes must not only be organizers of production but also organizers of livelihood; they have not only to collectivize labor further, but also to organize the collective way of life.

The role of these communal services in the total mobilization effort was underlined by their incorporation into the slogan calling for the militarization of production--"getting organized along military lines, working as if fighting a battle, and living the collective way."

On the other hand, the literature of the period suggests that ideological and political motives were equally prominent in the considerations prompting the establishment of these institutions. Virulent attacks on the bourgeois family were drawn directly from the early writings of Marx and Engels. For example, the following passage from an article by Hu Sheng, deputy director of the propaganda department of the Chinese Communist party, appearing in the 22 December issue of China's Women was little more than a paraphrase of the Communist Manifesto: "The bourgeoisie affirm monogamy in law, but in practice the relations between husband and wife degenerate to the level of business transactions recorded in terms of money. It is their practice to supplement monogamy with adultery and prostitution."

The old, evil family was to be replaced by a new "socialist-Communist family." It is of some importance, in view of later developments, to outline the profile of this family as originally envisaged by the Chinese Communists. Although Chairman Mao in his September tour of Honan came out firmly in favor of these new communal services, it was Liu Shao-chi who revealed the true dimensions of the plan for society to take over the care and upbringing of children. In a 21 September issue of the Honan Jih-pao, Liu was quoted as follows:

Nurseries should work on the principle of full-time caring of children. Primary schools, too, should aim to take as many boarders as possible. So far as children are concerned, emphasis should be laid on their education by society and not on their upbringing in their own family.

- 43 -

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

Liu added: "The management of children should be a more important job than the management of tractors or water pumps." The universal establishment of boarding schools in a given county of Shantung Province shortly thereafter was, according to an account in People's Daily on 1 November, carried out in accordance with this instruction of Comrade Liu.

Communal housing, on the other hand, was apparently never intended to take the extreme form of segregated barracks or dormitories, as reported in some Western publications. Even in the first flush of enthusiasm for the new socialist family, as in Hu Sheng's 1 September Red Flag article, it was conceded that "the small family composed of husband, wife, and children will naturally continue to exist for a long time to come." The construction of rural "residential areas" was justified as necessary "to solve the contradiction between scattered individual housing and the requirements of collective production by the commune" and to bring the benefits of urbanization to the countryside. At the outset it was taken for granted that the new housing would be owned by the commune and in time by the state, (as revealed in a Red Flag article of 1 October on the commune movement in Hopeh Province). The subsequent denial of this intent in the December commune resolution was to be but one of the many examples of retreat from the untenable positions advanced in the early stages of the commune experiment.

c. Ownership by "All the People"

The commune displayed still another "shoot of Communism" in that it was expected to achieve "all-people" ownership in rural areas at an early date and thus facilitate the transition to Communism. Even the initial step of establishing communes, entailing the surrender of the remaining means of production left in the hands of the individual peasant, was hailed as "a higher level of socialist development and collectivization than in the agricultural cooperative" (and by implication the Soviet collective farm). But the goal, as stipulated in the August resolution, was "ownership by the people as a whole," the achievement of which "may take less time--three or four years--in some places, and longer--five or six years or even longer--elsewhere." Since this program was to encounter both Soviet opposition and domestic difficulties,

~~SECRET~~

~~SECRET~~

it is important to understand this concept of "all-people" ownership and the original Chinese plans and expectations for its early attainment.

"All-people" ownership, as defined by the Chinese Communists, was simply state ownership of all the means of production, including land, capital goods, and, in a sense, the labor expended in production. At this stage, the commune would be equivalent to a state-owned industrial enterprise or state farm. One Chinese journal spelled out the implications of this form of ownership: "The distribution and use of output, the delivery of profits, production expenditures, and the level of consumption are all decided by the state." It was to be the organizational device par excellence for extending state control over all available resources, material and human, in the countryside.

Certain elements of this advanced stage of ownership were said to be present once the commune was established. As listed in the December commune resolution, these elements included the merger of the commune with the township (the basic organization of state power), the incorporation of existing state-owned commercial and financial enterprises into the commune, and the creation of new industrial and other economic enterprises through the joint efforts of several communes. The next step was the formation of county federations of communes. Empowered "to deploy a certain portion of the manpower, material, and financial resources of the communes to undertake construction on a county or even bigger scale," these federations were conceived as a half-way house leading to the ultimate goal--the creation of unitary county-wide communes throughout all of China characterized by complete state ownership of the means of production and by relative uniformity in the wage and supply standards for all their members. It was this undertaking to move rapidly toward state ownership despite existing low levels of production which Khrushchev was to attack in his 21st party congress speech. "The merger of collective-farm cooperative property with state property into unified public property is not a simple economic-organizational measure," said the Soviet premier, "but involves the solution of the profound problem of overcoming the essential differences between town and country."

At the outset, the Chinese Communists advanced the claim that several of their model communes already displayed most

~~SECRET~~

~~SECRET~~

of the attributes of "all-people" ownership, but it was not long before they themselves recognized the dangers of precipitate advance to state ownership. The principal danger was the "leveling" of income between the original cooperatives (and their members) combined into a single commune. In an important Red Flag article on 16 October, Li Hsien-nien put it: "If the differences in living standards are narrowed by bringing the high down to meet the low level, the living standards of some people will be lowered; and if the living standards are raised to the high level, the common reserve of the commune will be affected." It was this growing realization that state ownership entailed liabilities as well as assets that led to the virtual abandonment in 1959 of the original timetable of three to six years for achieving "all-people" ownership as had appeared in the initial commune resolution.

~~SECRET~~

~~SECRET~~

d. Government and Militia in the Commune

A fourth "Communist shoot" was the integration of the township government, the basic unit of state power in the countryside, with the commune. As the August commune resolution pointed out, this would facilitate entry into the Communist era, at which time "the function of the state will be limited to protecting the country from external aggression but will play no role internally." A more practical result of the merger was to strengthen the coercive power of the commune through the agency of its newly formed militia.

It is interesting that the vesting of administrative and military functions in the people's commune has no precedent in Marxist-Leninist doctrine. For example, Engels' Principles of Communism, identified in an earlier chapter of this study as a major source for China's commune experiment, restricted the activities of the "citizens' commune" to industry, agriculture, and education. Honan Province First Secretary Wu Chih-pu, writing in the 16 September issue of China Youth, could only cite the historical parallel of the Paris Commune as being "not very different" from China's practice of integrating the rural township with the commune organization. In order to legitimize the commune militia, China's theoreticians had to fall back on the general precept of Marx and Lenin "to arm the whole people."

Communist China's undertaking "to arm the whole nation" through a universal militia system was carried out simultaneously with the establishment of communes. In a much-quoted statement appearing in the 1 October issue of People's Daily, Chairman Mao revealed the diverse purposes of this program: "The organization of militia divisions is a good thing. It should be universally popularized. Militia divisions are military, labor, educational, and physical culture organizations all rolled into one."

Despite Mao's order of priority, there is good reason to conclude that the central mission of the militia was to serve as a labor organization. As noted earlier, the 1 September Red Flag editorial on communes described the people's militia as primarily a production organization "for waging battles against nature." This theme was developed by the regime's chief spokesman for the commune militia, General Fu Chiu-tao,

~~SECRET~~

~~SECRET~~

in the 10 January 1959 issue of Philosophical Study as follows: "It (the militia) can set up unified labor organizations...can rationally distribute labor power, raise labor efficiency, and promote a great leap forward in production...can increase the organization, discipline, and militancy of the people...and can strengthen the will of the people to ignore hardship and danger." Thus the militia provided the institutional framework for implementing the slogan "Getting organized along military lines and working as if fighting a battle."

Next in order of importance was the role of the militia as an agency to enforce commune policy against recalcitrant elements in the countryside. These elements, usually identified as landlords, rich peasants, counterrevolutionaries, undesirable characters, and rightists, made up the approximately 10 percent of the population who "opposed" the establishment of communes (according to Wu Chih-pu) and, when augmented by well-to-do middle-peasants and other "hesitant" elements, constituted the very sizable proportion of 30 percent of the population (again Wu's estimate). To counter this threat, a hard core militia force numbering less than one-tenth of the total was formed under the leadership of demobilized army men who were at the same time party members in good standing, and weapons were actually issued to only a select nucleus of this "basic militia". According to the dictates of the dialectical process, the first step toward the ultimate goal of the withering away of the state was to strengthen the dictatorship of the proletariat.

The final role of the militia, in descending order of importance, was to serve as a supplementary reserve force for the professional army in time of war. Although supported both by revolutionary tradition and by Mao's military doctrine, the available evidence suggests that this concept was a secondary consideration in establishing the commune militia in 1958. In one of the very few articles detailing the operation of this militia system, it was pointed out in mid-1959 that less than one percent of the total militia force in Shansi Province had participated in firing practice with live ammunition. Moreover, the provision in the December commune resolution that militia weapons would be "produced by arsenals set up locally" does not suggest a very active military role for the commune militia in the event of war.

~~SECRET~~

~~SECRET~~

The three major campaigns initiated in August 1958--the communes, the people's militia, and the resumption of hostilities in the Taiwan Strait--were undoubtedly related. It appears, however, that the military significance of the commune militia was more symbolic than real. By presenting the rural militia as a new and powerful defense against the ever-present threat of "imperialist aggression," the Chinese Communists could in part justify the rigors of militarized production in the countryside in terms of a patriotic war effort.

e. Eliminating the "Three Differences"

As the final "shoot of Communism," the commune showed the way, to quote the December resolution, "gradually to lessen and finally to eliminate the differences between town and country, between worker and peasant, and between mental and manual labor." These all-embracing and romantic goals were to be realized by implementing two measures taken directly from the Communist Manifesto: (1) "combination of agriculture with industry and gradual abolition of the distinction between town and country"; and (2) "combination of education with material production."

With respect to the first measure, the basic function of the rural commune in mobilizing the peasants to participate in industrial development has already been discussed at length. A less well-known fact is that, in order to become an "all-round man," the industrial worker was also expected to engage in agricultural production. The benefits to be derived from this were aptly described by Wu Chih-pu in the 16 September issue of China Youth:

In the future, factories will not only develop industry but also undertake a little agricultural production. For example, the workers in an iron and steel works are greatly tired after day and night shifts. If after working on steel they participate in a little agricultural production, they will feel refreshed, and this is good for their physical well-being. The good this does them spiritually is even greater.

~~SECRET~~

~~SECRET~~

The second measure, the combination of education with productive labor, deserves more extended discussion at this point. Like the militia system, it transcended the limits of the rural commune since it applied to all segments of the population. The universality of the program, as well as the paradoxical claim that physical labor for all signified progress toward Communism, was well expressed by Liu Shao-chi while touring Honan Province in September:

Everyone must take part in labor, especially physical labor, within the limits of his strength. Physical labor produces food and clothing. Everyone needs to eat and be clothed, and if there are some who do not labor, this inevitably increases the burden on others. As chairman Mao Tse-tung, and also Marx and Engels, pointed out, it is important for everyone to take part in physical labor. It is a necessary condition for the transition to Communism.

The goal, as indicated by Chairman Mao, was twofold: "Workers and peasants become intellectuals, while intellectuals become workers and peasants." In the rural areas, the communes were assigned major responsibility in carrying out a cultural revolution consisting of the elimination of illiteracy and the establishment of primary schools, middle schools, and even "spare-time" universities. In urban areas, factories in the pre-commune stage were expected to do the same and in fact to become both factories and schools. The most explicit statement of this part-work, part-study program, which applied to educational institutions as well, was again provided by Liu Shao-chi during his Honan tour:

New factories can set up schools and enroll a number of junior middle school students to study there. A factory is a senior middle school, and the students there may study a few hours and work a few hours every day. Then factories become schools and schools factories. The method of part-work and part-study can be adopted for senior middle schools and also for universities. A system must be established for the students to work six hours a day and study three hours a day, or work four hours and study four hours. The schedule must be relatively stable and last eight or ten years until the students graduate from the universities. In this way, the number of both students

~~SECRET~~

~~SECRET~~

and workers will increase. At the end of the period they will be both university graduates and skilled workers. This is also a condition for the transition to Communism.

The program did not stop here, however. It applied with particular force to the intellectuals and the "so-called experts and scientists" who were ordered to spend part of their time in productive labor. This would enable them to learn from "the surging enthusiasm and developed mental endowments of the masses" and to become, like Chairman Mao, "pupils of the masses." Government and party functionaries as well, in a continuation of the earlier policy of training cadres to become both "red and expert," were expected to spend part of the year laboring on the industrial and agricultural production fronts. As pointed out by Chen Po-ta in mid-July, this ambitious and comprehensive program constituted a "socialist and Communist system of education" suited to China's special conditions.

5. The Commune and the Transition to Communism

By means of the various "shoots of Communism" discussed above, the commune was to serve as the vehicle, in the words of the August resolution, for "exploring the practical road of transition to Communism." It is time now to turn to a systematic exposition of the Chinese view of the "transition to Communism," a view which deviated sharply from Soviet experience and precedent.

As the term "explore" implies, the Chinese claimed to be in the vanguard of the advance to Communism. Indeed, this contention had appeared in the very first extended discussion of the commune in a Chinese publication--Chen Po-ta's article in the 16 July issue of Red Flag entitled "Under the Banner of Comrade Mao." As noted in an earlier chapter of this study, Chen asserted that Marx and Engels had not pretended to "write out a prescription for each nation...to ensure the victory of the revolution and the realization of Communism"; and that, in keeping with the Marxist-Leninist injunction that theory must be "constantly enriched and developed according to life and different historical conditions," Chairman Mao had discovered a special

~~SECRET~~

~~SECRET~~

road enabling China to realize Communism "in the not distant future." The same theme was developed at greater length following the August commune resolution in a series of articles (appearing, for example, in the 10 September issue of Study, the 17 September issue of the Shanghai Liberation Daily, the 13 October issue of Political Study, and the 23 October issue of People's Daily) devoted to an analysis of this historic document. Perhaps the most explicit statement of this contention, however, appeared in the 1 September edition of China Youth: "Tomorrow we shall build a paradise of happiness never before attempted in history--Communism."

Taken together, the series of articles mentioned above provide a revealing analysis of the original Chinese view of the "transition to Communism." The salient characteristics of this transition were three: it was to be "gradual"; it was to be continuous and cumulative; and it was to be achieved in piecemeal fashion "by stages and by groups."

It is paradoxical that the "gradual" nature of the transition process was advanced by the Chinese Communists as a justification for telescoping the stages and period of time necessary to achieve Communism. Despite the calculated ambiguity of the formulation, this was in fact the essence of Mao's heretical version of the Marxist-Leninist concept of "uninterrupted revolution." Since the rudiments of a higher revolutionary stage (Communism) could appear in a lower revolutionary stage (socialism), it was possible for a Chinese Communist spokesman writing in the 13 October issue of Political Study to view the various "shoots of Communism" of the people's commune as "earmarks of the beginning of the transition to Communism" and to conclude that "together with the construction of socialism, the transition to Communism has begun."

There is abundant evidence of a conscious effort by the Chinese Communists to blur the customary distinctions between the separate stages of socialism and Communism. It was a standard practice in party publications in the fall of 1958 to depict the Chinese people as engaged in building "socialism-Communism". The first stage on occasion was omitted altogether, as in Chu Teh's statement while touring Kansu Province in late September that his countrymen were "building Communism," and

~~SECRET~~

~~SECRET~~

in the reference appearing in the 16 October issue of Red Flag to "the present construction of the beautiful Life of Communism." Less extreme but more authoritative was the admission in a 1 November Red Flag editorial that the Chinese were in fact "taking gradual steps toward the more advanced Communist society." It was from this advanced position that the Chinese Communists were forced to stage a humiliating retreat in the December commune resolution when they reaffirmed "the Marxist-Leninist theory of the development of revolution by stages" and conceded that "these stages, different in quality, should not be confused."

The second characteristic of the "transition to Communism" was that it would be continuous and cumulative, a process of interaction between steadily rising levels of production and political consciousness leading to the ultimate goals of material abundance and a highly developed Communist consciousness which would then signify the attainment of Communism. In a sense, this was no more than a re-statement of Mao's concept of "uninterrupted revolution." It was confidently asserted that the various "shoots of Communism" embodied in the commune would both stimulate production and elevate the ideological consciousness of commune members; this in turn would facilitate the growth and expansion of the "shoots of Communism," and so on.

Perhaps the most graphic illustration of this theory was provided by Li Hsien-nien in his definitive discussion of the commune system of distribution appearing in the 16 October issue of Red Flag. Inspired by the appearance of this "Communist sprout," the peasants worked "with still greater fervor and vigor," according to Li, and the resulting increments in production would permit the gradual expansion of distribution "according to need" until the transition to Communism was complete. As Li concluded: "It appears that the gradual carrying out of the economic system of Communism and the enhancement of the Communist consciousness and morality of the people promote each other."

The third characteristic of the transition--that it would be achieved in piecemeal fashion "by stages and by groups"--refers to an important feature of the commune movement in the fall of 1958. This was the prominence attached to a select number of "advanced" communes, by far

~~SECRET~~

~~SECRET~~

the most publicized of which was the Sputnik Commune in Honan Province. These communes were to serve as laboratories for experimentation with new systems of production and administration and also as models for gradual emulation by others. What is not generally realized is that these advanced communes also constituted an integral part of the Chinese Communist theory of the "transition to Communism." Both the August and December commune resolutions underscored this in their discussion of the transition from collective to "all-people" ownership, an important milestone on the longer journey to a Communist society. The process would be completed "by stages and by groups", with "some places" requiring less time (three or four years) and others more time (five or six years or even longer).

That the further advance to Communism was to be of the same piecemeal nature was suggested by the example of Hsu-hsui Commune in Hopeh Province. It was this commune which issued a plan, reproduced in the October issue of Planned Economy, containing the startling timetable of "basically completing socialist construction in 1959" and "entering the great Communist society in 1963." Although accompanying commentary on this plan stressed both its provisional nature and its propaganda value in stimulating enthusiasm for a "not far distant" Communist society, the implication was clear that the transition to Communism would also be effected "by stages and by groups" until all communes in all areas throughout the country had reached the promised land.

Granting that the revolutionary stages of socialism and Communism were being telescoped, what in the original Chinese view was the period of time necessary to complete this shortcut to the Communist society? Two preliminary observations are necessary. The first is the problem of translating temporal expressions in the Chinese language, which at best are imprecise and subject to varying interpretations. The second is the heavy propaganda content of Chinese Communist discussion of this matter, discussion frankly designed to persuade the Chinese people of the imminence of Communism as a reward for current hardship and sacrifice.

As noted in an earlier chapter of this study, Liu Shao-chi asserted as early as 12 July that "the time will

~~SECRET~~

~~SECRET~~

be very soon when we realize Communism." Liu repeated this estimate, certainly the most sanguine view put on record by any of top Chinese leaders, in somewhat different language while touring Kiangsu Province in late September. "If we work hard a few years more, Communism will come true and then we shall be happier than ever." Although never directly quoted, Chairman Mao's views on the matter apparently were similar in nature. Writing in the 3 October People's Daily, a Honan Province party secretary cited "several directives of Chairman Mao" on the significance of the mass iron and steel campaign in determining whether China could "complete the construction of socialism at an early date and rapidly cross over to Communism."

More specific discussions of the length of time necessary to achieve the material prerequisite--abundance of production--and the political prerequisite--a high level of Communist consciousness and morality--for entry into a Communist society were few and far between. An article in Study on 10 September indicated that "the time is not far off" when China could effect "the distribution of basic livelihood materials 'according to need'." It remained for Honan Province First Secretary Wu Chih-pu, in an article appearing in the 16 September issue of China Youth, to provide the only estimate in absolute terms of the number of years necessary to achieve the required level of material abundance. "The material foundation is not yet available for practicing 'to each according to his need.' We must fight hard for another six or seven years or even longer to create the necessary material conditions." By way of contrast, Khrushchev's corresponding estimate (in his 21st party congress report) of the period of time required for the infinitely more advanced industrial economy of the Soviet Union to reach this same goal was to be 15 years--more than twice as long. Both the earlier Chinese and later Soviet discussions were agreed on one point--it would take longer to prepare the political condition for Communism, the fostering of a "new Communist man." In the sole temporal reference to the attainment of this ideal, party propagandist Lu Ting-i conceded in a 1 September Red Flag article that the process would require "a long time."

Thus the record suggests that the Chinese Communists originally intended to accelerate the pace set by the Soviet

~~SECRET~~

~~SECRET~~

Union in the advance towards Communism. An essential step in this accelerated program was the early establishment of communes in China's urban areas.

C. The Rise and Fall of the Urban Commune

Although the initial party resolution in August was concerned exclusively with communes in rural areas, there is ample evidence that the Chinese Communists envisioned the communal organization from the outset as having general applicability throughout all of Chinese society. Thus, in discussing Communist China's original commune program, it is necessary to trace the short-lived development of the urban commune movement from its inception in August to its virtual suspension in the December commune resolution.

Because Chinese Communist publications devoted relatively little attention to urban communes in the fall of 1958, it is somewhat surprising to realize that the drive to organize communes in the pioneer province of Honan in August 1958 encompassed both urban and rural areas. In a speech delivered in mid-August, Wu Chih-pu was quite explicit on this point: "Whether it be in the countryside or in the cities, whether it be in government organs, schools or people's organizations, we must all take the road of the people's commune." By 25 August, the New China News Agency could report that five urban areas in Honan had completed the setting up of communes, including the important cities of Kaifeng, Chengchow and Loyang. By mid-September, Wu could announce that communes had been established universally throughout the province, encompassing 97 percent of the urban population.

Chairman Mao, while inspecting the Wu-han Iron and Steel Complex in mid-September, was the next to advocate the formation of urban communes. After local officials had pointed with pride to the ultramodern, large-scale steel furnaces just coming into production, Mao initiated the following somewhat ludicrous conversation:

Chairman Mao asked: "How about the establishment of people's communes? Such a big enterprise should have workers, peasants, tradesmen, intellectuals, and soldiers." Wang Jen-chung (first secretary of

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

Hupei Province), after some thought, said: "We have industry and trade supply points. We have established a technical school and a military college. What we lack is agriculture. We should invite some agricultural cooperatives to join us." Chairman Mao, nodding his head, said: "We should strive to be more comprehensive."

At the same time, Liu Shao-chi was visiting China's first urban commune established in late June at the Cheng chow Textile Machinery Plant. Like Mao, Liu stressed the importance "of enlarging the commune to include more rural villages so that factories and rural villages may be combined."

It remained for Teng Hsiao-ping, chief of the party secretariat and another ranking party-machine leader, to come out unequivocally for urban communes organized on a nationwide basis. While touring the northeast provinces in late September, Teng was quoted as follows: "Urban communes must be established. The rural villages of the whole country are just in the process of being communalized and the cities cannot lag behind." He did note, however, the necessity of conducting various experiments and gathering experience to solve the number of new problems inherent in this undertaking.

Chinese Communist discussion of urban communes had been relatively muted, thus far, confined largely to isolated statements by leading party officials touring the countryside. This state of affairs suddenly changed with the publication of the 22 October issue of People's Daily, which devoted nearly all of its first and second pages to the results of a drastic experiment carried out in the coal-mining city of Yangchuan in Shansi Province. On 1 October this municipality had established a commune embracing a population of 150,000 workers and peasants and consisting of 23 factories and mines, 75 villages, 2 streets, 2 universities, 6 middle-schools, 22 primary schools, and several stores and hospitals. In preparation for this momentous event, there had been a massive re-assignment of living quarters to enable workers and their families to reside in close proximity to their place of employment, a move which had taken place "in a few days" and had involved "several tens of thousands of workers and their dependents." More ominous still was the revelation

~~SECRET~~

~~SECRET~~

that party and government cadres had moved right into the same housing provided for the workers under their supervision. The objective was stated candidly by the People's Daily editorial:

With living quarters readjusted, cadres and workers not only work together but really live, eat, study, and play together....And cadres feel happy,...knowing not only the names and looks of the workers with whom they work but also their state of mind.

After lauding the experience of Yangchuan as a model for emulation by others, the editorial concluded: "Let the flags of people's communes and the flags of Communism fly over all cities, factories, and mines."

The policy had now been clearly enunciated and widely disseminated. What was still missing was some indication of the time element involved in the program of establishing urban communes. This was provided three days later in another authoritative editorial in People's Daily devoted to the subject of public (commune) mess halls. The key statement was as follows:

At present the public mess hall system is following along with the development of the communalization movement into the cities. The time cannot be far off when the mess halls will certainly be set up generally in our cities and countryside and become a new form of life for our people.

It should be noted that the timing of these two editorials is important not only for the development of urban communes but also for the general chronology of the commune movement as a whole. Communist China's commune program reached its apex in the last week of October, to be followed by a tapering-off process which was to continue unchecked for nearly a year--until the Lu-shan central committee plenum of August 1959. Among the first signs of the impending retreat was the appearance in early November of cautionary statements on urban communes, one by a Tientsin party secretary and another in almost identical language by the first secretary of the

~~SECRET~~

~~SECRET~~

Shanghai municipal committee. As elaborated in the December commune resolution, these statements stressed the existence of "certain differences between the city and the countryside" and warned that cadres "should not be in a hurry to set up people's communes on a large scale in the cities" and should "postpone" the undertaking in large cities. Although the next section of this paper takes up the broad range of domestic problems engendered by the commune and "leap forward" programs, the special problems which precipitated this abrupt reversal of policy on urban communes will be discussed at this point.

The number, variety, and scope of problems encountered in the initial experimentation with urban communes were formidable and can be treated here only briefly. The first was the question of type and size--specifically, whether communes should be organized on the basis of occupation (the "specialized commune," centered around a large factory, school, or government agency); on the basis of residence (the "street commune," consisting of all those residing in a single street or neighborhood); or on the basis of a relatively large geographic area (the "general commune," encompassing a ward or even an entire town or small city) to include all factories, offices, and inhabitants within its boundaries. Although all three types were tried out in the fall of 1958 and presumably still exist, Chinese Communist discussion of these experimental forms in 1959 was to be limited almost entirely to the forerunner of the "street commune"--the so-called "urban residents' cooperative to serve production" which seeks to organize housewives and other worker dependents for collective production and livelihood.

The second problem--really another aspect of the first--was the widely scattered housing of urban workers. This deprived the urban commune of one of the principal advantages of its rural counterpart--the ability to tap more labor power and utilize more intensively the existing labor force by means of the militarization of production and the collectivization of livelihood. As noted above, the Yangchuan coal-mining commune had shown the way in a mass readjustment of worker housing but under favorable conditions (newly built collective housing under state ownership) lacking in most urban areas. It was for this reason that Chinese Communist discussion of the urban commune usually involved grandiose plans of urban renewal and development, a process of transforming the old

~~SECRET~~

~~SECRET~~

bourgeois cities into "garden cities" of a new socialist or Communist type. As depicted in the prospectus for the city of Chengchow: "We then shall have realized the transformation of the city into a garden, and between one industrial zone and another there will be green fields and trees, with numerous small towns, like islands deeply bathed in the sea of greenery." In addition to the urbanization of rural areas, the grand design called for the "ruralization" of urban areas so that the worker, the exemplar of the ideal of the "all-round man," could engage in agricultural pursuits during his spare time.

An equally troublesome problem, both in theory and practice, was the fact that socialist ownership by the whole people--i.e., state ownership--was already highly developed in the cities. Since nearly all capital goods--including rental housing, which had been socialized earlier in the year--and raw materials were already under state ownership and control, there was little left to provide the "material base" for the collectively owned commune. Relying on their own limited resources, these urban collectives were expected to finance out of their own income all the expenses connected with wages, communal services, and investment. Yet the productive enterprises open to them consisted largely of primitive "satellite" workshops clustered around state enterprises and engaged in the processing of industrial scrap or waste material. In these circumstances, few of the experimental urban communes possessed the necessary wherewithal to become self-sustaining.

Closely related to this was the problem of "bourgeois ideology," described in the December commune resolution as "still fairly prevalent among many of the capitalists and intellectuals in the cities." For if the urban commune was to rely on its own efforts and build from scratch, the burden would fall on those individual members who, like the well-to-do peasants in the countryside, had the most to contribute. This was manifest in the slogan advanced during the formation of communes in the city of Kweiyang: "Let those with manpower contribute manpower; those with labor power contribute labor power; those with money contribute money; and those with material resources contribute material resources." In view of this slogan, it is not surprising that reports emanating from Peiping in early November revealed a wave of selling of such privately owned producer goods as sewing machines and a widespread withdrawal of savings deposits by urban inhabitants.

- 60 -

~~SECRET~~

~~SECRET~~

As the term was employed in the December commune resolution, anyone who viewed the impending formation of urban communes in terms of personal gain or loss was contaminated with "bourgeois ideology." In this sense, a large portion of the advanced working class also must have had serious misgivings about this revolutionary development. Since the urban worker already enjoyed a comparatively high standard of living and already benefited from the much-vaunted social services of the commune, the prospect of communal living held even less attraction for him than for the peasant. The drive to abolish piece-rate wages; the policy of eliminating "unreasonable and excessive differences" between urban and rural living standards; and the announced intention of introducing the combined wage-supply system in urban areas--none of these aspects of the commune program could have appealed to the urban proletariat.

One conclusion emerging from the above discussion deserves special emphasis. Whatever the mistakes and excesses connected with the commune movement in the countryside, a number of practical reasons could be advanced in support of this revolutionary transformation of rural society. Since almost none of these applied to the urban commune, it is fair to conclude that pragmatic considerations played a secondary role in the decision to extend communalization into the cities in the fall of 1958. Oddly enough, it appears that a major stimulus for pushing ahead with urban communes was the concern expressed by Teng Hsiao-ping that the cities might "lag behind." Li Hsien-nien echoed this concern in mid-October when he raised the question of extending the commune distribution system into the cities and observed: "The situation waits for no one, and these questions should be taken into timely consideration." If China's "organized revolutionary peasants" were advancing towards Communism through the agency of the rural commune, how could the most advanced revolutionary element in society, the urban proletariat, be permitted to "lag behind"? In view of these considerations, ideology appears as a prime factor in Communist China's urban commune program in the fall of 1958.

~~SECRET~~

~~SECRET~~

II. THE COMMUNE IN PRACTICE

The realization in the fall of 1958 of the divergence between the commune in theory and the commune in practice--between ideology and reality--was a traumatic experience from which the Chinese Communist party has yet to recover. The glaring discrepancy between promise and performance called into question not only the validity of the party's programs but even the competence of its leadership. The resulting corrosion of unity and discipline within the party and the resulting apathy of the population at large in the first half of 1959 were to precipitate the virulent campaign against "rightist opportunism" still under way today. The issues in the current political debate in Communist China are drawn directly from the record of events surrounding the first and second commune resolutions of August and December 1958.

Responding to the pressure of events and to the rising tide of both Soviet and domestic criticism, the Chinese Communist leadership, in a series of urgent conferences extending through November and early December, decided on a major overhaul of its commune program as embodied in the December commune resolution. At the same time, it decided to undertake a less obvious, less abrupt, but equally major overhaul of its "great leap forward" program. In contrast to the subsequent defense of party leaders that the shortcomings of these programs had been "isolated, local, and temporary," the test of practice revealed these defects to be numerous, widespread, and fundamental.

A. The "Leap Forward" Stumbles

As defined in Liu Shao-chi's report to the May party congress, Communist China's "leap forward" program represented "the application and development of the party's mass line in socialist construction." Relying on the "mighty driving force" of the "subjective initiative and creativeness of the masses," the party undertook to accelerate the pace of economic development under the slogan "greater, faster, better, and more economic results." Critics of the policy--a nebulous group consisting in part of experts, technicians, and planners--were labeled with the epithet of "account-settlers"--those

~~SECRET~~

~~SECRET~~

waiting "to settle accounts after the autumn harvest." In the actual accounting process carried out in the later months of the year, however, it was painfully evident that the forebodings of the experts had been justified.

The substance of these warnings, which Liu had first acknowledged and then brushed aside, provide a unifying theme for the discussion which follows. As the critics had predicted, the accelerated program had made people "too tense"; had resulted in "waste"; and had produced "imbalance" among the branches of production in the national economy. The subsequent charge of the "right opportunists"--that the "leap forward" had resulted in "an awful mess"--was not far off the mark.

1. Failure of "Native" Iron and Steel

As noted in an earlier section of this paper, Communist China's claim in mid-1958 to have discovered a short cut to industrialization was based on a fundamental misconception--that the techniques which had proven relatively successful in promoting the "leap forward" in agriculture could be applied to the infinitely more complex process of industrialization. These techniques were the rapid decentralization of controls from the central to provincial and lower levels of government in order to stimulate local initiative, the displacement of experts and technicians by party cadres in economic planning and management, and reliance on "native" technology performed by the "greatest labor army in the world."

The acid test for these theory was the mass iron and steel campaign initiated by the Peitaiho conference of the politburo in late August and conducted under the personal leadership of Chairman Mao. With achievement of the goal of doubling steel production in 1958 characterized as "the most important political mission confronting the party and the people," the prestige of both the Chinese Communist party and Chairman Mao was fully committed to the success of this undertaking. This factor must be kept in mind in order to understand the excesses of this program which dwarfed all other branches of the economy in the latter months of 1958.

~~SECRET~~

~~SECRET~~

As also noted above, this mass campaign was originally designed to produce the millions of tons of additional pig iron required to double steel output in 1958. Initially, "native" pig iron was to supply over half the total required from September through December, a proportion which rose to three fourths in the planning of steel production for the last three months of the year. The consequences of this basic misconception--that "native" iron fed to modern furnaces could produce a standard grade of steel--were to precipitate a crisis of major proportions in China's industrialization program just prior to the December plenum of the central committee.

The response to Chairman Mao's directive at Peitaiho "to launch a great leap forward in iron and steel production by 15 September" was electric. By 30 September, Po I-po, the party's chief spokesman for the campaign, could report that a labor army of 100,000,000 was engaged directly and indirectly on the iron and steel front, and that the number of "native" iron furnaces had tripled to a total of 600,000. At the same time, he conceded that only a relatively small proportion of these furnaces had gone into production and that a much smaller proportion was producing regularly. Of greater significance, Po admitted that the technological problem of feeding "native" iron to modern steel furnaces remained unsolved.

It was not long, however, before the claim was tentatively advanced that this technological breakthrough had been achieved in experiments conducted at Shanghai and Tientsin. In a discussion of marked ambivalence, a 12 October People's Daily editorial hailed these experiments as "an accomplishment of very great significance in steel smelting technology" and as a feat confirming Mao's dictum that "any difficulty can be solved by relying on the creativeness of the masses." On the other hand, it revealed that a number of technicians and steel plants were still skeptical of the process, and that "countless experiments" were still necessary to perfect it.

The next step in the iron and steel campaign--the launching of a mass movement for the production of "native" steel--had been announced on 4 October in a People's Daily editorial. The ostensible reason for this decision--that within one month the party had "basically surmounted the pig-iron production barrier on the road to doubling steel production"--was patently

~~SECRET~~

~~SECRET~~

false. The actual reasons, clearly implied in Chinese Communist press discussion, were twofold. Since it was becoming evident that "native" pig iron could not be utilized extensively in modern steel furnaces, "native" steel technology would "provide a good outlet" for the millions of tons of substandard iron already produced in the countryside. Moreover, since steel output through September was still less than half the annual "leap forward" target, it was quite apparent that fulfillment of the mandatory goal of 10,700,000 tons would be impossible without sizable and immediate increments of "native" steel produced in an emergency campaign of massive proportions.

There is no need to trace the sorry record of the "backyard" iron and steel campaign as it unfolded in the latter months of the year. The subsequent recantation and implicit admission of failure in August 1959 is well known. Several specific observations, however, remain to be stressed. As in the earlier discussion of China's inflated statistics in agricultural production, a comparison of original and revised output figures for a single province demonstrates graphically the excesses of the iron and steel campaign at its height. Whereas a People's Daily article on 8 November 1958 claimed that Honan Province had produced 4,400,000 tons of pig iron in the month of October alone, the corrected figure for the entire year's production of good pig iron announced in October 1959 was only 413,000 tons.

The second observation is the continuing admission by the Chinese Communists throughout the course of the campaign of their inability to turn out "native" iron and steel of acceptable quality and, a closely related factor, of the growing chorus of opposition from technical experts. The low quality of most "native" output was emphasized in a 15 November People's Daily article appearing under the aegis of the State Statistical Bureau and reaffirmed by Po I-po on 22 December at the very moment he was celebrating overfulfillment of the "leap forward" goal in steel production. And a People's Daily editorial on 23 October disclosed that the opponents of the campaign now included a number of "leading cadres" in Communist China's 18 key iron and steel enterprises--"leading personnel" with considerable influence in the modern sector of the ferrous metals industry. By far the most important observation, however, is the fact that by mid-November--well in advance of the central committee plenum of Wuhan--the Chinese Communists had already decided to cut their

~~SECRET~~

~~SECRET~~

losses and in effect terminate their ill-fated experiment with "native" production of iron and steel.

In retrospect, it is clear that the occasion for this reversal of policy was a national conference of party industrial secretaries held in Peiping through a six-week period from 4 October to 14 November. Convened "to summarize" the experience gained in the mass industrialization movement, the conference included leading personnel of the National Economic and State Planning Commissions; party secretaries and responsible personnel of the various industrial and transportation ministries of the central government; directors and assistant directors of economic coordination zones (economic regions); and party secretaries and vice governors of the provinces. Both the length of the session and the identity of the participants suggested that a crisis had arisen in Communist China's industrialization program. As revealed in the conference proceedings (reported in a front-page article of the 20 November People's Daily and in a 25 November People's Daily editorial), the crisis effected a reconciliation between the party enthusiasts and the technicians in a joint undertaking to overhaul the mass iron and steel campaign.

As a necessary first step, the conference reaffirmed the correctness of the party's mass line for industrial development, reasserted its political and theoretical significance, and proclaimed a "victory" on the industrial front paralleling that already achieved in agriculture. In a remarkably defensive statement, it specifically denied the allegation that "native" production of iron and steel had been an "improvisation," a "temporary expedient for completing the 1958 steel target of doubling production." Having dispensed with the preliminaries, the report then stressed that the mass iron and steel campaign had entered a new stage--that of "reorganization, consolidation, and elevation." The rationale for this fundamental reversal of policy, essentially the same as that which was to be advanced a year later during the "rightist opportunist" campaign, deserves careful examination and analysis.

First, the course of the frenetic iron and steel campaign from the Peitaiho conference through September and October was characterized as "basically an experimental, exploratory, and preliminary stage." Conditions at that time had warranted the large allocation of manpower (60,000,000 to 100,000,000) and the widespread dispersion of the movement, if for no other reasons than to ascertain the location of

~~SECRET~~

~~SECRET~~

mineral resources and to train the masses in "fundamental techniques" of iron and steel production. Already the campaign was being justified (as it was to be in October 1959) more in terms of its exploratory and educational value than in terms of utility of the end product. Now, however, conditions were ripe for entry into a new stage, "that of gradually and systematically constructing a group of small-scale integrated iron and steel bases combining native and modern methods of production." This would permit solution of the two most pressing problems on the iron and steel front--the need to raise quality of output and the need to reallocate labor power to agriculture and other branches of industry. Party provincial committees were instructed to draft over-all plans to implement this new policy and then "gradually implement these plans."

Of special interest was the caveat against rash action. Cadres were directed to proceed with caution, to explain patiently the reasons for the new program, and even to postpone the dissolution of native iron and steel smelters in some areas, "especially those in people's communes." The advantages of proceeding in this manner were twofold. First, it would be possible to camouflage the nature and extent of the policy reversal and cushion its impact on party cadres and the people at large. For this reason, Western observers generally did not become aware of these developments until the following spring (although Mikoyan alluded to it while visiting the United States in early January 1959). Also, it would be possible to maintain the fiction that the commune constituted a major force in China's industrialization program. As noted earlier in this paper, one of the principal objectives of the original commune program was this very function of mobilizing peasant labor power to engage in industrial production and construction.

As a final consideration prompting a major overhaul of the iron and steel industry, the conference stressed the necessity of concentrating more attention on Communist China's 18 key iron and steel enterprises. It now was conceded that the mass campaign, originally conceived as a means of supplementing the output of the modern sector, had impeded the orderly and rapid development of production of these modern enterprises by eating into the critically short supply of good pig iron. The gravity of this problem was underlined by an emergency directive of 25 October calling for the immediate

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

transportation of good-quality pig iron to the key plants and referring to this task as "the number one priority in transportation policy." Despite these emergency measures, the modern sector consistently failed to meet its "leap forward" production targets in October, November, and December, with output in December declining 30 percent under the preceding month. Evidence of similar confusion in the planning and transportation of coal was provided by the admission in mid-November that half the coal produced by the nation's major coal mines in the previous month was still piled up at the mineheads awaiting shipment. In light of these developments, the 20 November People's Daily account of the industrial conference concluded with a call for "unified planning" and for "treating the whole country like a chessboard."

The appearance of the "chessboard" metaphor, soon to become a prominent slogan in policy discussion in the spring of 1959, signaled the approaching end of the extreme decentralization of controls which had characterized the "leap forward" program up to that time. The excesses produced by this radical experiment were already under attack by Yang Ying-chieh (a vice chairman of the State Planning Commission who was to lose his post in the "purge" of September 1959) in the November 1958 issue of Planned Economy. Yang charged that the unity of state planning had been undermined by certain individuals who, in the name of "local activism," had "created much confusion and seriously prevented the national economy from developing in a planned way and according to proper proportions."

At about the same time, Vice Premier Chen Yun, who had been appointed chairman of the State Capital Construction Commission on 11 October, was issuing "important directives" to a series of regional construction conferences--directives which stressed the importance of unified national plans, the necessity of establishing clear-cut priorities in construction work, and the danger of "localism" in the provinces. The disappearance both of Chen Yun and the "chessboard" gambit in the fall of 1959 further suggests a link between this high-ranking politburo member and a policy which may have served as a rallying cry for opponents of the radical "great leap forward" program.

~~SECRET~~

~~SECRET~~

transportation of good-quality pig iron to the key plants and referring to this task as "the number one priority in transportation policy." Despite these emergency measures, the modern sector consistently failed to meet its "leap forward" production targets in October, November, and December, with output in December declining 30 percent under the preceding month. Evidence of similar confusion in the planning and transportation of coal was provided by the admission in mid-November that half the coal produced by the nation's major coal mines in the previous month was still piled up at the mineheads awaiting shipment. In light of these developments, the 20 November People's Daily account of the industrial conference concluded with a call for "unified planning" and for "treating the whole country like a chessboard."

The appearance of the "chessboard" metaphor, soon to become a prominent slogan in policy discussion in the spring of 1959, signaled the approaching end of the extreme decentralization of controls which had characterized the "leap forward" program up to that time. The excesses produced by this radical experiment were already under attack by Yang Ying-chieh (a vice chairman of the State Planning Commission who was to lose his post in the "purge" of September 1959) in the November 1958 issue of Planned Economy. Yang charged that the unity of state planning had been undermined by certain individuals who, in the name of "local activism," had "created much confusion and seriously prevented the national economy from developing in a planned way and according to proper proportions."

At about the same time, Vice Premier Chen Yun, who had been appointed chairman of the State Capital Construction Commission on 11 October, was issuing "important directives" to a series of regional construction conferences--directives which stressed the importance of unified national plans, the necessity of establishing clear-cut priorities in construction work, and the danger of "localism" in the provinces. The disappearance both of Chen Yun and the "chessboard" gambit in the fall of 1959 further suggests a link between this high-ranking politburo member and a policy which may have served as a rallying cry for opponents of the radical "great leap forward" program.

~~SECRET~~

~~SECRET~~

Thus in retrospect the significance of the national industrial conference of October-November 1958 is that it foreshadowed the end of the "great leap forward" program of industrial development as originally conceived by party enthusiasts. The three premises of the short cut to industrialization--rapid decentralization, displacement of the technicians, and reliance on "native" technology--were revealed as faulty and as having produced serious waste and serious disproportion in the national economy. Although the December communiqué of the Wuhan central committee plenum would call for continuing the unrealistic "leap forward" program into 1959, there is reason to believe that this resulted more from political considerations than from any confident expectation that the ambitious goals could be achieved. At a time of basic and embarrassing retreat in the commune program, it was imperative to cushion and postpone the shock of a parallel retreat in the "leap forward" program. Despite this tactic, the decision in the December commune resolution to slow the advance to socialism and Communism clearly revealed a new and more sober appreciation of the obstacles to industrialization in a backward agrarian economy.

2. Trouble in Agriculture

For a number of reasons, the descent to reality in agriculture was to be more difficult and protracted and less complete than in industry. As indicated above, the success of Communist China's distinctive approach to economic development depended on the tremendous expansion of agricultural output as a necessary first step. Consequently, the prestige of the party and Chairman Mao--on record as predicting the doubling of grain production in both 1958 and 1959--was even more deeply committed to the "leap forward" in agriculture, and pressures for reporting inflated agricultural statistics were correspondingly greater.

The second complication resulted from the unreliable method of estimating and reporting crop-production statistics in Communist China--the method of estimating biological yield based on a crude sampling technique. Before the shortfall in state procurement could reveal the extent of inflation in China's production statistics for 1958, regional and provincial plans for sown acreage and production in 1959 had already been

~~SECRET~~

~~SECRET~~

compiled on the basis of initial reporting and publicized extensively. Finally, the process of reviewing and revising the harvest results in the winter of 1958-59 was rendered even more painful and difficult by the "account settlers"--the group of experts and technicians who all along had criticized the extremism of party programs and had waited patiently "to settle accounts after the autumn harvest."

A series of emergency directives and People's Daily editorials during October and early November testified to the mounting crisis in agriculture. Basically, this crisis arose from the paradoxical belief that a vastly expanded program of autumn harvesting, plowing, and sowing could be shouldered by only 60 percent of the normal labor force. Diversion of 40 percent of peasant labor to the mass iron and steel campaign caused a critical shortage of labor for reaping and storing the autumn harvest--an experience subsequently described to the National People's Congress in April 1959 as "the lesson of high production without a bumper harvest."

Despite a dawning awareness of serious problems in the countryside, the very nature of the crisis precluded prompt remedial action. The 6 October emergency directive on harvesting and planting warned of "spoilage and waste." The second emergency directive, on 22 October, criticized "inefficiency" in agricultural procurement and transportation, alluded to "tension" in the supply of agricultural produce to urban areas, and stipulated that "this state of affairs must be corrected without delay." Provincial reports appearing in the 6 November People's Daily condemned "widespread carelessness" in harvesting operations and the "very serious losses" resulting from neglect and spoilage.

The solution advanced by the two emergency party directives, however, failed to come to grips with the problem. As indicated in the 9 October People's Daily editorial, the "acute" shortage of rural labor would be met by more efficient and intensive utilization of the existing labor force and by tapping new sources of supply, not by reducing the size of the peasant labor army on the iron and steel front. The mass iron and steel campaign, "as the most important political mission confronting the party and the people," still had first priority. Elaborating on a prescription advanced earlier by Liu Shao-chi, the editorial called on "county leadership organs" to mobilize all possible sources of labor power (including

~~SECRET~~

~~SECRET~~

residents of urban areas and women still awaiting "liberation" in rural areas) to undertake a shock campaign of autumn harvesting and sowing. The appeal to county rather than commune authorities to manage the campaign was interesting in itself, for it was accompanied by the admission that "in very many communes, labor organization is inefficient and labor productivity is not high."

It was not until 6 November, when presumably the Chinese Communists had already decided to cut their losses in the mass iron and steel drive, that a People's Daily editorial could direct "the immediate transfer" of "part of the manpower...from the iron and steel production front to the autumn harvesting front." The appearance three days later of another People's Daily editorial urging "that the peasants rest" was another indication of the need to slacken the pace and regroup forces in the countryside.

By this time, however, a series of regional and provincial conferences had already proclaimed equally if not more ambitious "leap forward" targets for agriculture in 1959. In pleasing conformity with Maos' prediction that grain output would double in 1959, all nine provinces of North and Northeast China (meeting in mid-October in one of the regional agriculture conferences convened by the central committee) decided to increase grain production 100 percent the following year. A national conference in Wuhan on 4 November decided that cotton production would also continue to "leap forward" at the same rate. As the report on the latter conference revealed, the strategy would remain the same--"the setting of advanced targets after large-scale mass debate would then greatly expand production ardor, and the rate of increase would be correspondingly raised."

The means for achieving these fabulous goals were the revolutionary techniques developed in the cultivation of experimental high-yield plots during the spring and summer of 1958 and codified in the "eight-point charter of agricultural production." This highly intensive garden-type cultivation was now to be extended to secure "high yields over large areas" as a step toward Mao's famous "three-thirds system." (As noted earlier, this system envisaged the eventual reduction of sown acreage to one third of the existing amount, with this fraction by means of phenomenally high yields accounting for all food and fiber crops). In discussing the 1959 cotton

~~SECRET~~

~~SECRET~~

production plan; the People's Daily editorial of 5 November called for "satellite" yields of from 500 to 1,000 catties of cotton per mou on 10 to 30 percent of total cotton acreage, a startling jump over the record in 1958 when only 3 percent of total acreage managed to produce in excess of 300 catties per mou (one-sixth acre). In a similar example of radical and unrealistic agricultural planning for 1959, the 10 November People's Daily reported the following decisions of the Szechwan provincial party committee: to reduce total cultivated acreage by 10 percent; to reduce grain acreage by one third and at the same time double grain output; and to expand acreage sown to industrial (nongrain) crops by 100 percent. Despite subsequent acreage adjustments in the winter and spring of 1959, some of the damage was irreparable. By the following May, the actual reductions of acreage sown to winter wheat were to be labeled a mistake, constituting (in the words of the Minister of Agriculture) "a lesson we have learned."

Throughout October and November, it was still possible to explain away the shortfall in state procurement and the urban food shortage by referring to the press of other work, inadequate transport capacity, and the large proportion of tuber crops (difficult to process, store, and transport) in the autumn harvest. By December, however, these explanations no longer carried conviction, and it was necessary to concede inaccuracies and distortions in the reporting of agricultural production. In a key discussion of this problem on 15 December, Tan Chen-lin admitted that harvest estimates "were based on selected samples," and that in addition to "losses due to crude harvesting" there had been cases where "basic-level units overstated their output." Then, in a passage revealing the concern of the party's top leadership over the unreliability of agricultural reporting, Tan urged his audience of rural women activists, on returning to the countryside, to regard as "a matter of honor" the practice of making a "certain discount when ascertaining output."

Evidence of mounting concern appeared in the December commune resolution, which stressed the importance of "a practical and realistic style of work," warned against the current tendency of "exaggeration," and asserted that "leading personnel at all levels must be good at differentiating between the reality and the false appearance of things." Minister of Agriculture Liao Lu-yen was more explicit in a 1 January 1959 Red Flag article when he criticized "exaggeration,

- 72 -

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

lies, and falsification" in the reporting of agricultural statistics. According to People's Daily on 19 December, sample investigations had revealed these "exaggerations" to be both extensive and premeditated, with cadres "knowing that actual production was only 500 but reporting as 600, 800, or even 1,000." After dismissing the threat of the "account settlers" (who would "seize the opportunity to stage a counterattack"), the article concluded by calling on cadres everywhere to verify and correct harvest statistics and thus obviate the "very dangerous" situation of faulty data resulting in unrealistic policies and plans.

Thus the earlier predictions of "some cadres" (as reported in the 13 August People's Daily editorial) that "direct leadership by party committees would impair the scientific value and integrity of statistical work" was belatedly conceded to be true. By the time a full-scale survey consisting of "repeated investigations" could be carried out in the first half of 1959, however, it was too late to secure an accurate accounting, since most of the crop had already been consumed in the villages. When the additional factor of the need to uphold party prestige and maintain popular morale is taken into account, it is fair to conclude that even the drastically scaled-down 1958 grain production figures (from 370,000,000 to 250,000,000 tons) announced by Chou En-lai in August of 1959 still were inflated.

3. The Halt to Agricultural Mechanization

To the list of domestic problems reaching critical proportions in November of 1958 must be added Communist China's unique program leading to agricultural mechanization. As discussed earlier in this paper, this program consisted of a three-pronged movement: to improve existing farm tools; to achieve semimechanization, largely through mass production and installation of ball bearings on agricultural equipment; and to realize a short cut to the mechanization and electrification of agriculture by means of the towing-cable machine.

Both the party and Chairman Mao attached great importance to this program as a means of solving the acute labor shortage developing in rural areas throughout the autumn of 1958. In

~~SECRET~~

~~SECRET~~

keeping with Mao's directive to compile and publicize concrete plans, People's Daily periodically published statistical tables enumerating provincial goals for the manufacture and distribution of various types of agricultural tools and equipment and the progress achieved to date. A mid-October regional agricultural conference chaired by Tan Chen-lin cited "improvement of tools to increase labor efficiency" as the principal measure for bridging the gap between the party's ambitious programs for rural development and the inadequate supply of labor. As revealed at the conference and in subsequent discussions, this gap was sizable. The estimates of manpower needed to carry out agricultural, industrial, and capital construction plans in the provinces of North and Northeast China, for example, were double and even triple the labor force on hand.

The situation was ripe for a more sober appraisal of the agricultural mechanization program, for a more realistic assessment of needs and capabilities. This appeared in a People's Daily editorial of 4 November stressing that the time had come in China's tool reform movement "to summarize experiences, derive lessons, and determine policy for future advance." Of particular interest, the editorial admitted that, starting in September, and especially in the last ten days of September, "the tool reform movement in not a few areas almost came to a halt." Although the failings of local cadres were primarily responsible for this, the editorial displayed a new appreciation of such "objective" causes as the prior claim on men and materials of the mass iron and steel drive and the shock campaign to complete harvest and sowing operations in the countryside. Of equal importance was the chart in the same issue of the People's Daily which revealed that less than 30 percent of the annual plan for production of ball bearings and towing-cable machines had been fulfilled. This chart was the last published account of the progress and results of Communist China's "short cut to mechanization."

Thus there is substantial evidence to support the conclusion that the Chinese Communist leaders, meeting in a series of emergency conferences extending through November and early December, decided on a major overhaul of its "great leap forward" program. The cumulative effects of failure in the mass iron and steel campaign, of grave imbalance in the national economy, of serious trouble in agriculture, and of

~~SECRET~~

~~SECRET~~

the near collapse of the tool-reform and farm-mechanization program dictated a force retreat on the economic front. Although political considerations were to perpetuate unrealistic "leap forward" goals until well into 1959, the December commune resolution revealed that the era of extreme economic pretensions was at an end. In place of former claims to have discovered a "short cut" to agricultural abundance, farm mechanization, and industrialization, the resolution contained the following sober appraisal of China's future economic development:

Though the pace at which we are advancing is fairly rapid, it will still take a fairly long time to realize, on a large scale, the industrialization of our country, the industrialization of the communes, the mechanization and electrification of agriculture, and the building of a socialist country with a highly developed modern industry, agriculture, science, and culture. This whole process will take 15, 20, or more years to complete."

~~SECRET~~

~~SECRET~~

B. The Commune Falters

The historic sixth plenary session of the eighth central committee of the Chinese Communist party--held in Wuhan from 28 November to 10 December 1958--made, according to a subsequent People's Daily editorial, "an extremely high appraisal of the people's commune," The resolution adopted by the party conclave stressed at the very outset the "immense vitality" of the commune, enumerated its "obvious benefits," and reaffirmed "the correctness and historic significance" of the initial decision to establish this radical social organization. The remainder of the lengthy document, however, consisted of an elaborate defense of the commune experiment characterized by a concerted, if transparent, attempt to dissociate the party's leadership from the more radical and unsuccessful features of the original program. Responding to the pressure of events and the rising tide of both Soviet and domestic criticism, the Chinese Communists at Wuhan were compelled to undertake a fundamental and embarrassing retreat from earlier positions and to initiate a complete overhaul of their much-vaunted commune program.

If the earlier discussion of communes at the Peitaiho conference produced "heated discussion" (as the Chinese Communists admit), the exchanges at Wuhan must have generated even greater warmth. A 21 December People's Daily editorial on the meeting denied that the communes had resulted "from Utopian concepts or the commands of a few people." This suggests that such charges may have originated at the central committee session. Nearly a year later, in a major article published on 1 October 1959, Liu Shao-chi admitted that there had been "controversy between different views within our party on...the people's communes" and cited the views--presumably expressed at Wuhan--of party cadres that the communes were "set up 'much too soon,' were 'in a mess,' and 'outstripped the level of socialist development and level of people's political consciousness.'" As with the charges of the "right opportunists" against the "great leap forward" program, these accusation leveled against the commune movement in the fall of 1958 were substantially correct.

1. Failure of Distribution "According to Need"

As noted earlier in this paper, the marked failure of the commune distribution system in the fall of 1958 produced an

~~SECRET~~

~~SECRET~~

immediate and concerted effort to gloss over the original concept of this radical experiment. Incorporating elements of "free supply" (distribution "according to need," a basic criterion of Communism) and of wages (distribution "according to work," a basic criterion of socialism), this system was destined to fail because it was based on a fundamental misconception of human nature--that psychological and moral incentives (the "Communist consciousness and morality" of the new Communist man) could be substituted for material incentives as the principal stimulus for production.

This misconception in turn was expressed in two separate but related features of the commune distribution system. The first was the marked tendency toward equalitarianism inherent in the "free supply" of food and other consumer goods--a feature which Liu Shao-chi explicitly denied would "encourage idlers." The second was the confident expectation that the new system would more effectively control peasant consumption and thereby promote investment and economic growth. It was this aspect of the commune program which the "right opportunists" were subsequently to attack (according to Chou En-lai in October 1959) as tantamount to "keeping a horse running while giving it no feed."

The tendency toward leveling peasant income was clearly demonstrated by the party's decision to have the proceeds of the autumn harvest distributed by the commune on a unified basis rather than by the former individual agricultural cooperatives within its boundaries. As indicated at the regional agricultural conference for South And Southwest China in late October, the party's position was unequivocally in favor of "unified distribution by the commune." More specifically, the following experience of a particular commune in implementing this policy was cited approvingly in the 29 October People's Daily as a model for general emulation. First, cadres representing the well-to-do agricultural cooperatives were permitted to air their grievance that "unified distribution" would force "the rich cooperatives to support the poor cooperatives." The party committee then countered with a two-fold argument: (1) that rapid increases in income from industry and secondary production (resulting from commune investment of the harvest proceeds) would enable all the former cooperatives to become well-to-do by the spring of 1959; and (2) that in any case, "unified distribution" was necessary "to accelerate the rate of socialist construction and the transition to Communism."

~~SECRET~~

~~SECRET~~

The crucial question, as the erring cadres finally admitted, was not one of "suffering loss" but one of having the Communist spirit of "all for one and one for all." The accompanying People's Daily editorial comment that "unified distribution" would "enable the livelihood of all commune members to gradually reach equality" underlined the party's stand in support of this measure.

Within the space of a few short weeks, however, the commune distribution system had come under widespread attack. By mid-November, dissatisfaction with the system was no longer confined to the rich and upper-middle peasants but had infected some poor peasants and even the rural cadres. As reported in a Red Flag article on 16 November, these cadres doubted whether "Communism can fully arouse of the labor ardor of the masses" and, in a sarcastic vein, some even felt that each production brigade should have judicial and medical officers "in order to prevent a slow-down strike and workers pretending to be ill to avoid work." Another article in the same issue warned that the "free supply" of food alone, given the subsistence living standard in many communes, rendered the payment of wages according to work "more and more insignificant or nonexistent." When trial surveys revealed that commune grain consumption exceeded state norms by as much as 20 percent, even the claim that the new distribution system would maximize rural savings had been discredited.

The reaction of the Chinese Communist leadership to these developments was commendably prompt. Though couched in circumlocution, an article appearing in People's Daily on 18 November clearly indicated a basic reversal of policy:

The basic yardstick in evaluating a system of distribution is whether it is beneficial to production and development of the productive forces.... Distribution "according to work" plays a very important role in our present distribution system and is the major yardstick still for distribution of products for society as a whole....

The principle of equality and fair and just distribution is another yardstick of course, but this is of secondary importance.... The basic cause of inequality between working people in socialist society is that material production still has

~~SECRET~~

~~SECRET~~

not developed to the point of distribution 'according to need.' Under these conditions, to think that we can immediately eliminate this 'inequality' will necessarily lead to committing the error of absolute equalitarianism.

The subsequent discussion of socialist and Communist distribution systems in the December commune resolution was little more than an elaboration of this statement. It did, however, go on to specify that wages paid "according to work" must "take first place" in commune distribution, and that the wage portion must increase at a faster rate than the supply portion "for a number of years to come...in order to encourage the working enthusiasm of commune members."

The retreat, however, was even more fundamental than indicated in the formal party resolution. This was revealed in an open letter written by the first secretary of the Hupeh provincial committee which appeared in a Wuhan newspaper three days after the close of the central committee session--at a time when Chairman Mao was still in that city. After citing "an erroneous tendency toward absolute equalitarianism" which had emerged in the people's communes, the letter explained that this had resulted from a premature attempt to equalize wage payments and food allowances of all commune members, regardless of "the amount and quality of manpower they contributed to the commune." This had "caused some of the commune members to complain and to lose much of their production enthusiasm." In order to correct this situation, the first secretary recommended not only that wage standards should vary among the production brigades within a single commune, but also that food rations should vary among the individual members of the commune in accordance with the amount of work performed. An article appearing in the 12 December People's Daily revealed that communes in other parts of China were already distributing grain directly to individuals on the basis of age, type of work and intensity of labor. Although the magnitude of these changes was not to become apparent until the spring of 1959, commune distribution of income was rapidly reverting to the socialist principle of payment "according to work." Even basic foodstuffs, covered a few weeks earlier by "free supply," were not to be distributed largely on the basis of work performance.

One additional observation is necessary in order to underline the almost total collapse of the original commune distribution

~~SECRET~~

~~SECRET~~

system in the winter of 1958: the paradox that the commune was unable to provide even the more modest "socialist" portion of the income due its members--the payment of wages "according to work." Among the reasons for this, probably the most important were the party's preoccupation with grain production in 1958 and the expropriation of the peasants' "private plots"--a traditional source of monetary income in the countryside. This was suggested in the following discussion of the problem at the Southwest China regional agricultural conference in late October: "The situation this year, in which the income of the people's communes consists largely of grain and only a small amount of cash, is urgently in need of change. Hereafter, in order to ensure the payment of wages, the communes must increase their monetary income by planting more industrial crops and developing a multiple economy." Articles in the December People's Daily called for a shock production campaign to increase immediately the cash income of the communes. Despite this emergency measure, however, it was necessary for most communes in the spring of 1959 to abandon the payment of fixed wages and revert to the former agricultural cooperative practice of distributing individual income on a quarterly basis according to variable "labor points."

Thus the hypocrisy of the original ideological pretension of the Chinese Communists to have discovered a new, more advanced distribution system leading to Communism was exposed for all to see. As noted above, these pretensions almost immediately provoked severe Soviet displeasure and a running fire of criticism. The pointed emphasis in the December commune resolution that Communist China was still in the stage of socialist construction and still adhered to the socialist principle of distribution "according to work" was designed in part to answer this criticism. What is not so well known is that a subsequent article by Hsueh Mu-chiao (at the time director of the State Statistical Bureau and deputy chairman of the National Economic Commission) appearing in the 16 May 1959 issue of Red Flag went even further in retracting the original claim of superiority for the commune distribution system.

In what may have been an indiscretion (Hsueh apparently was downgraded in the September 1959 "purge"), the author in effect conceded that the new Soviet collective farm system of distribution was more advanced than that of the Chinese commune. His argument, developed in two separate sections

~~SECRET~~

~~SECRET~~

of the discussion, was as follows: the commune system of distribution in kind "by no means indicates that our agriculture has already been transformed into Communism; it merely indicates that the labor productivity in our agriculture remains very low, and that the process of passing from self-supporting production to commodity production has not been completed." As agricultural production developed, however, it would be possible to expand distribution in the form of currency as exemplified in "the recent development in the Soviet Union, where the collective farms have gradually adopted the system of wages in monetary terms."

With this admission, the cycle was complete. Communist China's distribution system in the spring and summer of 1959 was in fact, if not in name, little different from that which had existed in the pre-commune agricultural cooperative. The buds of the Communist system of distribution "according to need" appeared dormant, if not dead.

2. Retreat from Collective Livelihood

As noted earlier in this paper, the commune was originally conceived as a more efficient mechanism not only for organizing production but also for organizing a collective way of life embodied in the commune mess halls, nurseries, kindergartens, and rural "housing estates." These radical institutions were justified primarily on the grounds of economic necessity, as a means of "making full use of labor power, enabling women to play their full part in field work, and ensuring that there is no waste of the labor time of men and women." The fate of these collective welfare undertakings in the fall of 1958 was to determine in large measure the success or failure of the entire commune experiment.

Almost from the very outset, this program encountered serious difficulties. A People's Daily editorial on 13 October admitted that many of the newly established mess halls were poorly operated (serving food that was unpalatable and lacking even a minimum variety of vegetables and condiments), and that conditions in some nurseries were so deplorable that mothers had refused to send their children. Equally discouraging was the fact that some of the women "liberated" from the tyranny of household chores had "lost confidence"

- 81 -

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

when confronted with heavy agricultural production tasks and had been unwilling to labor in the fields. Although these institutions were in need of an immediate "thorough overhaul," the editorial conceded that the higher priority accorded to the mass iron and steel and agricultural harvesting campaigns would probably delay reforms.

Two weeks later, on 25 October, the commune mess halls were singled out in a People's Daily editorial as having "a very great role in liberating the productive forces and in the great undertaking to construct socialism-Communism." In a more somber vein, it was admitted that collective eating involved a "great problem of changing peasant customs of several thousand years"; that the peasants were bound to experience inconvenience and feel strange in even the best run dining halls; and that failure to operate the mess halls properly would make the peasants apprehensive and anxious. After stressing that the communes had to improve the quality and variety of food served in their mess halls, the editorial provided the following counsel of perfection as the criterion for successful operation: "that the members of the people's communes eat more and better than in their individual households while using the same amount of grain, oils, sauces, and vegetables."

The mounting concern over generally unsatisfactory conditions in the mess halls was revealed in a People's Daily editorial on 10 November. As was to be the case with other unsuccessful features of the commune program, responsibility was pinned on the local cadres, who in this case "had not adequately recognized the importance of running mess halls well." The urgency and critical nature of the problem was underlined in the following passage:

Today the peasants not only have discarded the last remnant of private ownership of the means of production but also have handed over to the party and the people's communes the great authority of arranging their livelihood, while they themselves think of nothing except to strive bitterly and wholeheartedly for the building of socialism. If the leaders of party organizations and people's communes do not show concern and organize the collective life of the peasants with redoubled effort at this juncture, they will fail in their duty as organizers of the production and livelihood of the masses.

- 82 -

~~SECRET~~

~~SECRET~~

The immediate task, however, was to expand the bill of fare in the mess halls to include vegetables. Among the proposals advanced to solve this shortage, the editorial sanctioned such extreme measures as expropriation ("all vegetables, whether grown collectively or individually, must be collected and preserved") and compulsory sharing among neighboring communes ("people's communes having a surplus can be mobilized to support those having little.")

The almost desperate improvisation characterizing these measures indicated that the "thorough overhaul" of communal services advocated a month earlier could no longer be postponed. Within a week a province-wide inspection had been organized in Honan--the pilot province where communes were first established--to investigate the rural collective welfare establishments. No longer able to maintain the fiction that these radical institutions had been welcomed enthusiastically by the masses, the announcement admitted that an important mission of the team was to ascertain "the public opinion of various classes toward the collectivization of livelihood." (Underlining supplied) The results of a similar investigation in Hopeh Province, carried in the 2 December People's Daily, revealed that over half the mess halls in that province were considered "unsatisfactory" by the people. Contributing to peasant discontent was the fact that many of the mess halls still lacked permanent shelters despite the onset of winter. Because the mess halls had confiscated their stoves and monopolized scarce fuel, moreover, many peasant households had no way to keep warm during the winter months.

The party had indeed failed in its duty "as organizer of the livelihood of the masses." As with the collapse of distribution "according to need," the response in the December resolution was commendably prompt. Thereafter, commune members would be permitted "to cook at home"; it was optional for parents to board their children at commune nurseries and kindergartens, and they could "take them home at any time"; and the integrity of the individual family was to be protected by building new commune housing "so that the married couples, the young, and the aged of each family can all live together."

But again, the retreat went further than indicated in the formal party resolution. Within two weeks after the

~~SECRET~~

~~SECRET~~

close of the central committee plenum, Li Hsien-nien revealed that the regime had in effect restored "private plots" to individual peasants for use in raising hogs, fowl, and even vegetables to supplement the meager diet of the mess halls. Even before the party conclave had ended, central committee member Tsai Chang had already transmitted to a conference of rural women activists the slogan which would be used thereafter to rationalize a whole series of concessions to commune members--the principle of "the small freedom in the large collective." It was in keeping with this principle that many of the public mess halls and nurseries would be closed altogether in the spring and summer of 1959; the scale of dissolution reached as high as two thirds of the total in certain provinces of China.

3. Problems in Organization and Management

According to Chairman Mao, the two superior characteristics of the commune over the agricultural cooperative were "first its vastness and second its communal nature." The first attribute referred to the expansion by 10 to 20 times of the size of the original cooperative and the corresponding increments in land, labor, and capital accruing to the new organization. It was clearly assumed that unified planning and management at the commune level would result in more efficient utilization of the factors of production in the countryside--especially the factor of labor power. The test of practice, however, cast serious doubt on the validity of this assumption. As the August 1959 central committee resolution was to admit, the communes displayed an erroneous tendency toward "overcentralization" in the early period of their development.

At the outset, the Chinese Communists advocated a gradual approach to the problem of devising new systems of planning and management in the communes. Appearing in the August resolution in the phrase "changing the upper structure while keeping the lower structure unchanged," this approach called for the joint election of a commune administrative committee for unified planning and arrangement of work. At this stage, however, the original agricultural cooperatives were merely to transform themselves into production brigades under the commune, retaining "the original organization of production and system of administration" so as not to disrupt production.

~~SECRET~~

~~SECRET~~

Initial discussion in the fall of 1958 revealed that individual communes were experiencing considerable difficulty in interpreting and implementing the party's directives dealing with commune organization. A People's Daily article of 7 October describing the experiences of the model Sputnik Commune indicated the complexity and magnitude of this undertaking. It was necessary, first of all, to convert the former general-purpose cooperative labor organizations into specialized labor teams engaged full time in specific agricultural, industrial, or capital construction activities. Next, it was necessary to determine which enterprises, because of greater investment and manpower requirements, would be controlled directly by the commune authorities and which could be left to the production brigade. In addition to specialization and division of labor, another important feature of the new system was "getting organized along military lines." Writing in the 16 September issue of Red Flag, Honan First Secretary Wu Chih-pu estimated that this measure alone would increase production efficiency 20 percent, compared with the old agricultural cooperative.

Returns from other areas, however, revealed slow progress in the introduction of these radical reforms. A People's Daily editorial on 9 October admitted that in very many communes, "labor organization is still irregular and labor productivity is not high." Although the original production system of the agricultural cooperative was no longer appropriate, the editorial conceded that "a new set of control methods appropriate to large-scale production under the commune still has not been worked out." Confirming this observation in an address to the southwest regional agricultural conference in early November, Tan Chen-lin urged the delegates throughout the winter of 1958-59 "to study conscientiously and solve the problems of production organization and management in the commune."

Another thorny problem in the establishment of the commune system of administration was the new relationship between party, government, and commune authorities on both township and county levels. According to articles appearing in People's Daily in December, this involved not only the integration of the township and commune but also the amalgamation of operation departments of the party--such as those charged with rural work, trade and finance, and industry--into the new administrative structure. The predominant role of the party, however, was

~~SECRET~~

~~SECRET~~

unmistakable. As indicated in the 24 December People's Daily, "all the work of the people's commune must be absolutely subordinated to the unified leadership of the party, both politically and organizationally."

In the light of these difficulties, it was not surprising that the December commune resolution pleaded "insufficient experience" and lack of time in explaining why the people's communes had been unable "to consolidate their organization, perfect their working systems, or systematically settle the new questions concerning production, distribution, livelihood and welfare, management and administration...." Having established that the commune's administrative structure was in need of a thorough overhaul, the resolution revealed that the lower level production brigade would play a more important role in the reorganized commune. Defined as "the unit which manages industry, agriculture, trade, education, and military affairs in a given area and forms an economic accounting unit," the production brigades--along with their subordinate production teams--were to be given additional powers "in order to bring their initiative into full play."

The reasons for this development were discussed more candidly in published commentary surrounding the central committee plenum. Even those "who supported socialism-Communism" had raised the objection, according to the 28 November People's Daily, "that the people's commune is too large for efficient operation." And a 2 December People's Daily article contained the following statement: "Experience shows that in an organization as complicated and comprehensive as the people's commune, the production brigade must be permitted to manage money, accounts, and distribution if the organization is to be efficient."

Thus the decision at Wuhan to enhance the status of the production brigade was an implicit admission that the "vastness" of the commune organization had produced not more but less efficiency. The process of decentralization, which was to snowball in the spring and summer of 1959 until the commune administrative committee had been stripped of nearly all authority, was already under way.

~~SECRET~~

~~SECRET~~

4. Opposition to the Commune

The rising tide of domestic criticism of the commune program implicit in the above discussion deserves separate treatment. Although estimates of the character and intensity of this opposition are of necessity tentative, there is abundant evidence suggesting that it was an important factor in the regime's decision at Wuhan to undertake basic modifications of the original commune program. Representing a broad groundswell of popular discontent, this opposition appeared in the form of increasingly vocal criticism from within the government, the party, and military.

One of the most graphic illustrations of cadre disaffection was the reluctance of basic-level government workers to join the commune. A by-product of the decision to integrate the township with the commune organization, this measure applied in the first instance to rural trade and finance workers but also encompassed basic-level government and business cadres and primary school teachers as well. An article in the 21 October People's Daily describing the model Sputnik Commune revealed the reaction of government trade and finance workers when informed of their impending transfer to the commune, there "to eat, live, work, and be paid" in the same way as ordinary members. Of the total involved, 45 percent experienced qualms--"principally fearing a reduction in wages"--and, in addition, a small number "having a low ideological level were unwilling to join the people's commune." A national trade and finance in mid-October implicitly recognized the existence of this problem in the following statement. "Basic-level trade and finance workers must regard their transfer to become members of the people's communes as an honor. Every cadre must welcome and promote this change."

Cadre dissatisfaction was also manifested in criticism of the revolutionary commune distribution system. This took the form of objection in principle to the feasibility of distribution "according to need," expressed in doubts whether "Communism can fully arouse the labor ardor of the masses." Contrary to the directive governing the socialist-Communist education campaign, it also took the form of calculating "personal gains and losses." An Tzu-wen, director of the organization department of the Chinese Communist party central committee, acknowledged in early December that "part of the cadres

~~SECRET~~

~~SECRET~~

take erroneous views of the supply system and even look at the question from the standpoint of individualism." Moreover, occasional press reports throughout November and December revealed that rural cadres were unwilling to eat in the general commune mess halls, retaining their own "cadre mess halls," which served more and better food.

An increasing number of cadres were guilty of the other political heresy--condemned in the Communist education directive--of "parochialism," or placing the interests of one's own cooperative (or commune) ahead of those of the state. A People's Daily article on 1 November described this problem as being "particularly acute," and a Red Flag article of the same date confirmed this analysis in even stronger terms. "We have to shift our main efforts to dealing with capitalist tendencies among our party cadres in the village," said Red Flag, "because such tendencies have seriously hampered the establishment and development of our people's communes." Cadre charges that the entire commune program constituted a "rash advance" and was "theoretically wrong" began to appear in the press--for example, in the 1 and 28 November issues of the People's Daily. The outspoken character of these criticisms testified to the growing volume of popular discontent.

Still another indication of mounting unrest in the countryside was the increasing attention in party publications to "commandism"--a euphemism for the exercise of coercion and force. A peculiarity of political life in a Communist state, the appearance of this phenomenon was an unmistakable sign that party programs had encountered popular opposition. It was necessary to shift the onus for this development away from the programs themselves--which by definition were "correct"--to the rural cadres who had been charged with implementing the programs.

The successful performance of this exercise in sophistry was to tax the ingenuity of party propagandists in the late fall of 1958. A 19 November People's Daily article describing the occurrence of "commandism" in a Shangtung people's commune revealed the nature of their predicament. Here a number of peasants had slaughtered their hogs and poultry rather than surrender them to the commune and had protested against a 16-hour workday by engaging in a "slow-down" strike. The cause of these incidents, however, was not the policies themselves but the failure of the cadres to perform necessary "ideological" work,

~~SECRET~~

~~SECRET~~

to consult with the masses, and to explain patiently the reasons for these measures. It was even more difficult to deny the obvious fact that the basic commune policy of "getting organized along military lines and working as if fighting a battle" was largely responsible for "commandism." This was accomplished in the December commune resolution, however, by blaming "Kuomintang and bourgeois styles of work" exhibited by the cadres and "alien class elements who have smuggled themselves into the leadership of the communes."

The classic dilemma of the cadre was epitomized in the December resolution charge that "some cadres are beginning to get dizzy with success." Although some Western observers have construed this revival of a famous Stalinist phrase as a concession to Soviet criticism of the commune, it might also be interpreted as a concession to widespread discontent in China's rural areas. The further instruction in the resolution "for leading personnel to make serious self-criticism and listen with modesty to the opinions of the masses" and the promise "to purge the leadership in the communes of...alien class elements" tend to support this view. The occupational hazard of the cadre as a scapegoat for mistakes of the party's leadership was once more clearly demonstrated.

The evidence of opposition to the communes within the ranks of the military, while less clear-cut, is more intriguing, especially in the light of subsequent developments. It is a striking paradox that the attempt to reintroduce the supply system (the Chinese Communist frequently cited the supply system of "military Communism" in force during their revolutionary war period as a precedent for the commune distribution system) into the armed forces in the fall of 1958 apparently aroused considerable dissension. According to an article from the Liberation Army Daily (the official organ of the People's Liberation Army) appearing in the 3 November People's Daily, this proposal had touched off a "heated discussion" in the columns of that newspaper. The article launched a spirited attack against "those comrades who do not welcome the supply system," accusing them of "lacking the ideology of uninterrupted revolution, thinking the revolution should stop on reaching socialism...and displaying the attitude of the hireling towards labor and compensation." A concurrent discussion in the military periodical August 1 (reproduced in the 8 November

~~SECRET~~

~~SECRET~~

People's Daily) took issue with those elements in the armed forces who criticized the innovation "of military cadres serving as enlisted men." The article defended this practice as promoting "equality between officers and men" and contributing to the solution of "the extremely urgent problem...of preparing conditions for the transition to Communism."

By far the most revealing evidence of military dissatisfaction with the communes was the directive in early November by the General Political Department of the People's Liberation Army to launch a mass socialist-Communist indoctrination campaign among the armed forces. Appearing in the 16 November People's Daily, this document constituted a spirited defense of all aspects of the commune program and a stern injunction to all military components to support it. A major objective of the indoctrination campaign was to destroy bourgeois ideology, which manifested itself in the armed forces in such forms as attachment to private property, concern for individual material interests, and the advocacy of special rights and privileges for officers and noncoms. In place of these, all military personnel were to "enthusiastically welcome the commune movement, cultivate the spirit of uninterrupted revolution...establish the Communist attitude of working without thought of quotas, conditions or compensation," and, more specifically, "vigorously support and implement the supply system." Averring that "our ideal is for the whole world to realize Communism," the directive concluded with the assertion that "Communist education, using the commune question as the center, is a long-term affair and must be carried on without interruption in the armed forces."

One statement in the directive deserves special emphasis--the additional objective of the campaign "to make all commanding personnel in the army progressive elements in the commune movement and the march to Communism." This formulation assumes special significance, in view of the subsequent shake-up of the military high command in September 1959. The removal of Minister of Defense Peng Te-huai and his chief of staff in the fall of 1959, whether or not they were personally involved in opposition to party policies, would suggest at least their inability to exact unwavering allegiance to party programs of "commanding personnel" under their jurisdiction. In an article published at the time, new Minister of Defense Lin Piao admitted that "a handful of comrades have come under the influence of petit bourgeois ideology, and particularly the ideology of rich middle peasants," further suggesting that a number of

~~SECRET~~

~~SECRET~~

military personnel of peasant origin had been critical of the excesses of the commune program.

In a more speculative vein, it is probably significant that military units and cadres played a prominent role in the undertaking to overhaul the communes initiated at Wuhan in December 1958. Undoubtedly a number of considerations prompted this decision, including the expertise of military cadres in administration and in many of the specialized operations of the communes and the obvious symbolic value of the army in a situation characterized by confusion and uncertainty. At the same time, it is reasonable to conclude that still another factor entered into the calculations of the party leadership at Wuhan--the desirability of conciliating a potentially dangerous source of opposition by assigning a measure of authority and responsibility to the armed forces in the urgent task of overhauling the commune program.

~~SECRET~~

~~SECRET~~

III. THE COMMUNE AND SINO-SOVIET RELATIONS

The appearance of Communist China's commune program in the fall of 1958 introduced a basic source of discord into Sino-Soviet relations which persists to the present day. Conceived as the instrument for achieving rapid economic and social development leading to the early advent of the Communist society, the commune epitomized a distinctive Chinese road to socialism and Communism which diverged sharply from Soviet precedent and experience.

The economic and ideological pretensions advanced initially for the commune aroused great interest and a surprisingly favorable response in a number of the satellite countries of Eastern Europe and Asia. Constrained to reassert its traditional role of bloc leadership in doctrinal matters, the Soviet Union reacted at first by virtually ignoring the existence of the commune and the claims advanced in its behalf, then by increasingly outspoken criticism, and finally by pre-empting the Chinese initiative with its own accelerated program of Communist construction. It is to this episode in the recent history of Sino-Soviet relations that we now turn.

A. The Chinese Ideological Initiative

Before examining the content of China's ideological initiative, several preliminary observations are necessary. The first concerns the question of intent--that is, whether the Chinese Communists were consciously challenging Soviet primacy over doctrinal matters within the bloc. It is true that the Chinese consistently presented their unorthodox programs as the product of historical necessity reflecting the special characteristics of their country. At the same time, the Chinese also undertook to justify and rationalize the commune in terms of general Marxist-Leninist theory and thus posed an implicit challenge to which the USSR as the defender of orthodoxy had no choice but to respond. In the way of a more explicit challenge, moreover, the Chinese Communists placed special emphasis on the applicability of their innovations in theory and practice to the underdeveloped nations of Asia. By substituting their own distinctive road leading to socialism and Communism, the Chinese in effect were denying the validity of the Soviet model for the special problems of economic and social development in Asia.

~~SECRET~~

~~SECRET~~

As noted earlier in this paper, the main outlines of the Chinese ideological challenge were present in the first extended discussion of the commune to appear in a Chinese Communist publication--Ghen Po-ta's article in the 16 July issue of Red Flag entitled "Under the Banner of Chairman Mao." It was here that Mao Tse-tung was credited with discovering a special road enabling China to accelerate socialist construction and to realize Communism "in the not distant future." Moreover, he had done this in accordance with Lenin's injunction to the countries of the East to "creatively develop" Marxist theory "in the light of special conditions unknown to the European countries...realizing that the peasants are the principal masses." The implication was strong that Mao had solved the special problems of socialist and Communist construction, not only for China but for other Asian countries as well.

It is difficult to exaggerate the ideological, not to mention the political, significance of this contention. Whereas the argument of "special conditions" had been advanced earlier to justify the deviation of "national roads" to socialism (e.g., Poland), it was now advanced to justify a separate and distinct road to both ~~socialism and Communism for the entire continent of Asia or even, by extension, for all underdeveloped areas of the world.~~ Clearly it is of some importance to summarize briefly the content of this program which was to have an especially strong impact on the Asian satellites of North Vietnam and North Korea in the fall of 1958.

As noted earlier in this study, China's special characteristics--which apply generally to the other underdeveloped countries of Asia--have been listed as "a large population, a small amount of arable land, and a predominantly agrarian economy" and have been summarized by Chairman Mao in the phrase "poor and blank." In the Chinese view, a program calling for total mobilization of all available resources was necessary in order to break through these barriers to industrialization and modernization. In this program, the commune performed the following three vital economic functions: the centralization of ownership and control over all means of production in the countryside as a preliminary step toward state ownership; the extension of more rigid and effective controls over peasant consumption by means of the wage-supply system of distribution and the commune mess hall; and the intensive exploitation of human labor to a degree never before attempted in history. Utilizing these economic functions of the commune, the Chinese

~~SECRET~~

~~SECRET~~

Communists claimed that their "great leap forward" program of economic development provided a short cut to the ultimate goals of agricultural abundance, industrialization, and the mechanization of agriculture.

Some Western observers have failed to note, however, that the various ideological functions of the commune were to play an equally indispensable role in China's leap to modernization. The very term "commune" connoted--intentionally so--an advanced status on the road to Communism. Justified by Mao's heretical concept of "uninterrupted revolution," the Chinese Communists consciously blurred the traditional stages of socialism and Communism for the very purpose of substituting ideological and political incentives for material reward as the major stimulus for production. In an important discussion of the Communist education campaign appearing in a mid-October issue of the People's Daily stressed: "We must publicize long-range plans enabling people to understand that the beautiful Communist society is no longer a matter of the distant future..that today's bitter struggle is just for tomorrow's prosperity and happiness."

As indicated in the August commune resolution, a prerequisite for the early achievement of a Communist society in China was "exploring the practical road of transition to Communism." This would be accomplished by means of the various "shoots of Communism" displayed by the people's commune--especially the commune system of distribution characterized by Li Hsien-nien as the beginning of the "economic system of Communism." The claim of priority in the march to Communism was stated explicitly in early September: "Tomorrow we shall build a paradise of happiness never before attempted in history--Communism."

What is more, the Chinese Communist vision of accelerated economic and social development leading to the early achievement of Communism appeared to encompass the entire bloc. Lu Ting-i, director of the propaganda department of the central committee, referred in a September Study article to "the various countries of the socialist camp" as being "on the road...leading from socialism to Communism." Even more pointed, and more galling to the Soviet Union because of the occasion (a speech delivered before delegates at a rally in Peiping on 30 September inaugurating new friendship associations between China and ten bloc countries), was the following statement by politiburo member Peng Chen:

~~SECRET~~

~~SECRET~~

At present, "great leaps forward" have taken place in all aspects of socialist construction in the socialist countries headed by the Soviet Union. The whole of our camp is living through a great epoch in which twenty years are concentrated in a single day. The time is not far off when the Communist society, which has been dreamed of by mankind for so many years and for which countless outstanding and fine people have fought and died, will be realized in the countries of the socialist camp. (Underlining supplied)

Thus the ideological pretension that Communist China was leading the bloc in an accelerated march to Communism and the theoretical rationale for the commune as a "creative development" of Marxism-Leninism posed a fundamental challenge which Moscow could ill afford to ignore. As indicated below, the Soviet reaction to this challenge was sufficiently forceful to extract a series of important concessions from Peking. In response to Soviet pressure, the Chinese abruptly withdrew their claim to advanced status in the "transition to Communism" and at least implicitly recognized the right of the Soviet Union to determine the pace and order of bloc progress to Communism. On the other hand, they did not retract the second contention in their ideological initiative--that the commune constitutes an important contribution to the Marxist-Leninist theory of socialist and Communist construction, a contention advanced unequivocally in the fall of 1958, muted for a time in 1959, and only recently revived.

In the initial August commune resolution, there was no geographical limitation for the claim that "people's communes will be the best organizational form for the building of socialism and the gradual transition to Communism." Party publications throughout the fall of 1958 frequently referred to the "great historical significance" of the communes, and Vice Premier Chu Teh more pointedly described the appearance of people's communes as "not only a great event in Chinese history but also a great event in world history." In a similar vein, Li Hsien-nien hailed the famous commune distribution system as "a great event without parallel in world history" and "an event of world significance." Even while undertaking the humiliating retreat inherent in the December commune resolution, the Chinese Communists reasserted the "historic significance" of the commune. And in the subsequent counteroffensive against domestic and Soviet opposition launched

- 95 -

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

in the fall of 1959, Liu Shao-chi once more revived the claim of "international significance" for the commune experiment. As suggested above, as long as the Chinese Communists hold to the "correctness" and "orthodoxy" of the commune program in terms of Marxist-Leninist theory, they have no alternative but to persist in the view that the commune organization is both relevant and applicable to other bloc countries en route to the ultimate goal of Communism.

B. The Response in Eastern Europe

Limitations of space preclude a detailed examination and analysis of the factors responsible for the enthusiastic response of certain European satellites to Communist China's ideological initiative in the early fall of 1958. Among the more important considerations were the following: the appeal to Stalinist elements in Eastern Europe of China's hard-line approach to economic development; admiration for the spectacular achievements claimed for the "great leap forward"; esteem for the apparently high level of party morale and popular enthusiasm generated by China's unorthodox program promising the early attainment of Communism; and, perhaps, an awareness of the advantages of a second ideological center within the bloc as a counter weight to Soviet dictation and control. For our purposes, it is more important to note the existence of this phenomenon as a disruptive factor in bloc politics inviting prompt and vigorous countermeasures from Moscow.

The events surrounding the celebration of National Day on 1 October provide some of the most convincing evidence of Communist China's impact on the European satellites. The speeches of delegates attending a 30 September rally in Peiping inaugurating new friendship associations between China and all the nations of Eastern Europe (in itself an indication of mounting Chinese influence in the area) were replete with laudatory references to Chinese innovations. The key statements by various delegation heads were as follows:

"The Albanian people will continue to...absorb China's rich experience in socialist construction"; "The accomplishments of the Chinese People's Republic are a model for the Hungarian people; these accomplishments inspire our people and the peoples of the socialist countries"; "The great leap forward in socialist construction has provided

~~SECRET~~

~~SECRET~~

rich experiences for us (East Germany) in practice and theory"; "The Polish people are joyfully watching the very great achievements of the Chinese people in socialist construction, in the great leap forward... and in the movement to establish people's communes"; and "We (the Bulgarian delegation) are filled with pride by the unprecedented achievements in China's great leap forward.

Although these enthusiastic testimonials were characterized by a certain reticence concerning the commune, this deficiency was corrected in other high-level commentary on China's National Day. Most notable was the reference in the official message of anniversary greetings from Czechoslovakia, signed among others by Communist party First Secretary Novotny: "At present, people's communes are just now being established (in China)...the people's commune (which is) the embryo of the future Communist society." More spectacular--even ludicrous in the light of subsequent developments--was the appraisal made by the editor of the Albanian party newspaper, central committee member S. Botsay, at a ceremonial observance of National Day in Tirana. After stressing that "the establishment and development of people's communes was an event of very important significance," he made the following statement:

People's communes are the best form for the transition from socialism to Communism. In establishing them, the Chinese Communist party and Chairman Mao have creatively applied and developed Marxism in accordance with Marxist-Leninist theory and Soviet experience and taking into account the specific conditions in China.

The final example of high-level endorsement of the commune program was provided by East German Premier Grotewohl in a 5 November speech in Berlin commemorating the October Revolution. In view of the occasion, Grotewohl appeared to go out of his way to assert that Communist China "has risen and started on the road to Communism" and to justify the commune "free-supply" system as based on the "high degree of (political) consciousness" of China's peasants. It might be noted in passing that this defense of Chinese programs was but one of a number of indications of growing affinity in ideology and policy between these two countries situated at opposite extremities of the bloc.*

*For an elaboration of this thesis, see the recent ESAU VII-60, The Chinese Communist Impact on East Germany.

- 97 -
~~SECRET~~

~~SECRET~~

The influence of Communist China's distinctive programs in Eastern Europe was most pronounced, however, in Bulgaria. Here the leadership faced a series of problems similar to those which had precipitated the "great leap forward" and commune programs in China, including low productivity in agriculture, a generally backward economy, a shortage of capital, and a measure of surplus manpower in rural areas. It was natural, then, for some Bulgarian leaders to look to Chinese solutions for their own problems, especially after the appearance of China's spectacular claims in agricultural production.

Although the record is not clear, there is abundant evidence that a number of the radical measures introduced in Bulgaria's economic planning and organization in the late fall and winter of 1958 were inspired by Chinese precedents. The presence of high-level parliamentary and agricultural delegations touring China in October suggested at a minimum considerable interest in Chinese innovations. The head of one of these delegations, Deputy Premier Chervenkov, indicated during a 29 October speech in Peiping that he had been "tremendously impressed" by what he had seen. After hailing Communist China's solution of the food problem as a "great force" stimulating economic growth, Chervenkov added, "We should think about this: How did the Chinese Communist party set 650,000,000 people into motion as one and spur them to unprecedented achievements in the field of national industrialization and the great leap forward to Communism?" Then, after stressing the need to make due allowance for "different conditions" in the two countries, he concluded:

We think there is something to be learned from you. Upon our return to Bulgaria, we will introduce and propagate all we have seen here. This will aid our party and our people to understand better the great programs now under way in China, as well as their significance for our common tasks.

The contents of the radical economic program unveiled by First Secretary Zhivkov on 11 November to a central committee plenum revealed that the Bulgarian leadership had in fact been studying Chinese experience. The program not only incorporated the Chinese slogan of a "great leap forward" in economic development but even rivaled the wildly unrealistic character of Chinese

~~SECRET~~

~~SECRET~~

goals by calling for the doubling in 1959 of 1958 agricultural production. Other distinctive Chinese practices adopted by the Bulgarians in the early winter of 1958 were: the introduction of mass movements in agricultural construction featuring "voluntary" (i.e., unpaid) labor and fixed periods of physical labor for party and government officials; reliance on political and ideological incentives for labor, including the prospect of initiating the "transition to Communism" at an early date; and the formation of greatly enlarged agricultural organizations in the countryside akin in some respects to the Chinese commune. One such expanded cooperative in early November was actually designated a "commune" established "on the model of the Chinese communes."

As Soviet opposition to Communist China's unorthodox programs became more and more apparent, however, it became necessary for Bulgarian leaders to deny in increasingly explicit language that Chinese practices had influenced their own policy decisions. Responding to various forms of Soviet pressure, First Secretary Zhivkov in January 1959 felt constrained to assert in unmistakable terms that "the sole correct road for constructing a Communist society" was the example provided by "the construction of socialism and Communism in the Soviet Union." (Underlining supplied)

C. The Response in Asia

In view of the Chinese Communist contention that Mao Tse-tung had discovered for Oriental countries a special road leading to socialism and Communism, it is of particular interest to examine the response to Communist China's unorthodox programs by the Asian satellite nations in the fall of 1958. In brief, the record reveals that Mongolia displayed interest, that North Vietnam quickly adopted a number of Chinese innovations, and that North Korea emulated the Chinese Communist example so closely as to suggest a temporary shift in allegiance from Moscow to Peiping.

The reaction in the Mongolian People's Republic, traditionally a Soviet satellite with a largely pastoral economy, was the least striking. Even so, the Mongolian ambassador utilized the ceremonies inaugurating the new Mongolian-Chinese Friendship Association on 30 September to cite "the movement to establish people's communes" as one of many Chinese Communist achievements which "caused all progressive mankind to feel jubilant." More

~~SECRET~~

~~SECRET~~

pointedly, he asserted that the Mongolian people were "just now concerting their efforts to study the precious experiences and methods of their Chinese friends in undertaking socialist construction." And in marked contrast to the cool reception accorded the commune in Moscow, a mid-October issue of the Mongolian Labor Journal endorsed the establishment of people's communes: "This should be hailed not only by the Chinese themselves but by all the people of the socialist countries."

The response in North Vietnam must be viewed in an entirely different light. The Vietnamese party leadership has traditionally looked to Peiping for guidance as the result of basic cohesive factors of race, culture, economic, and military dependence and geography. At the same time, the low level of economic and social development, even in comparison with Communist China, ruled out the establishment of communes in North Vietnam within the foreseeable future. Probably for these reasons, Hanoi originated relatively little independent commentary on China's commune program in the fall of 1958, while at the same time praising and adopting specific Chinese innovations in the theory and practice of socialist construction.

Indeed, the Chinese claim to have devised a special road to socialism peculiar to Asian countries appeared to receive blanket endorsement by Lao Dong (Communist) party leader Le Duan in early September. After quoting Mao on the nature of industrialization in a country where the peasants comprise the vast majority of the population, he asserted that "the problem is the same with us" and added that "the infinitely rich experience of China in this connection has taught us a brand new concept of the road to socialist construction." In a similar vein, the Vietnamese ambassador in addressing a friendship rally in Peiping on 30 September hailed China's general line of socialist construction and "great leap forward" as "a model for the Vietnamese people to study." An article in People's Daily on 10 November revealed that Hanoi was in fact attempting to initiate a "leap forward" in its own economic development, featuring the widespread introduction of China's experience with "experimental plots" and close-planting as well as the promotion of small-scale local industry on the Chinese model.

Moreover, there were indications that the Vietnamese leaders looked favorably on the commune as the next logical

~~SECRET~~

~~SECRET~~

step once the country had achieved a higher level of "socialist" development. Ho Chi Minh replied ambiguously to a Western press query on 19 January 1959, stating that North Vietnam had no intention of establishing communes in the "immediate future." Much more significant, a May 1959 report by Vice Premier Truong Chinh on agricultural cooperation revealed the future goal of establishing "large cooperatives" encompassing "all party organizations; administrative services; organs for mobilizing the people; all economic, cultural and educational activities; and the building of militia..." The basic identity between this comprehensive organization and Mao's concept of the commune combining "industry, agriculture, commerce, education, and the militia" plus township government was unmistakable.

One of the most remarkable and at the same time little noted developments in bloc politics in 1958 was the sudden deviation of North Korea from its traditional role of a Soviet satellite to embrace a whole series of Chinese Communist policies and programs, even to the point of flirting with the heretical commune organization. Western observers were generally unaware of this, probably due to the following reasons: the concentration of interest on the more spectacular developments in Communist China; the paucity of information on North Korean domestic programs available to Western analysts during this period; and the fact that the Pyongyang regime abruptly changed course in the winter of 1958-59, once Soviet disapproval of these unorthodox programs had become apparent.

The process of imitating the Chinese example began as early as June 1958 at a Korean Labor (Communist) party plenum. At that time it was decided to launch a mass movement for construction of small - and medium-size industrial installations in the countryside--a movement which followed closely both in time and content the Chinese Communist program of local industrialization announced by Liu Shao-chi at the May party congress. As reported in People's Daily on 11 October, even the propaganda slogans were the same, including exhortations to attack "conservatives" who "mystified" the process of industrialization and to rely on the "activism and creativeness" of the masses in a campaign of "all the people operating industry."

The next and far more significant step in emulating the Chinese Communist model was taken at a September central committee plenum which inaugurated the ambitious "flying horse"

~~SECRET~~

~~SECRET~~

program of economic development and the simultaneous amalgamation of some 13,000 agricultural cooperatives into 3,800 units of township size. As discussed and analyzed by Kim Il-sung on 20 November, the proceedings of this party conclave were heavily influenced by the Chinese Communist policy pronouncements emanating from the Peitaiho politburo conference of late August. The extent of this indebtedness is indicated in the following discussion of the major themes developed in Kim's address.

First was the contention that North Korea, as an impoverished Asiatic country only recently liberated from colonial oppression, had to develop at a "much faster" pace than the socialist countries of Europe. Just because the Korean people were relatively poor and uncultured (calling to mind Mao's characterization of China as "poor and blank"), they were "richly endowed with a revolutionary desire to discard the old and adopt the new" and to engage in a "bitter struggle" for a "leap forward" in economic and social development. This would permit "catching up with the peoples of fraternal countries" in terms of "socialist" development within a period of roughly five years, rather than the decade originally considered necessary. This was a perfect capsule statement of the rationale of Communist China's "great leap forward" program.

Moreover, the substance of North Korea's "flying horse" program of economic development bore a striking resemblance to the "leap forward" in Communist China. Pyongyang had already solved the food problem by "doubling or tripling labor productivity," and "within two to three years"--the same time period featured in Chinese discussion--food was to become "extremely abundant." An accelerated program of agricultural development based on mobilization of the peasants would result in "completing the irrigation, electrification, and mechanization of rural areas" within the slightly longer period of four to five years. A similarly spectacular development of industry within the same time span would mean that "the construction of socialism will have been completed" (again the same time period envisaged in Communist China).

Faithfully following, up to this point, Communist China's distinctive road leading to the early achievement of socialism, Kim's speech then introduced a number of the Chinese innovations which purportedly provided a short cut to the ultimate

~~SECRET~~

~~SECRET~~

goal of Communism. Acceleration of the pace again was necessary in order to catch up with the more advanced European socialist nations, so that "we can move into Communism when the others do--together with them and without lagging behind." The rapid achievement of agricultural abundance and socialist industrialization would permit the early, formal initiation of the "transition to Communism" within four to five years. Even more suggestive of Chinese influence was the clear implication that North Korea was already taking the first steps toward Communism by incorporating certain salient features of Communist China's commune program into its own reorganization of rural society.

First was the conscious telescoping of the revolutionary process under the guise of the heretical Chinese concept of "uninterrupted revolution," holding forth as the reward for present "bitter struggle" the realization of Communism "in the not-distant future." An indispensable ingredient in this program of "building socialism and Communism" was the launching of a mass indoctrination campaign in Communist ideology (paralleling that adopted by the Chinese at the Peitaiho conference). A major objective of this campaign was overcoming the attachment to private property expressed in "individualism and egoism." This was a prerequisite in "our forward movement to create comprehensive, Communist, all-people ownership." Thus Kim was endorsing the principle of "all-people ownership"-- a basic characteristic of Communist China's commune program-- not only as a forward step to Communism but also as a matter of immediate, practical concern in North Korea's rural transformation program.

Even more striking was Kim's revelation that Pyongyang was considering introducing the controversial commune system of distribution featuring the "free supply" of commodities determined "according to need." Kim used the form of a conversation with a peasant woman during a recent visit to an agricultural cooperative:

"When I asked her again how she would like it if all textile products, rice, and everything else were supplied free of charge; if the peasants were placed under the same wage system as the workers; and we proceeded thus in the direction of practicing the Communist principle of distribution along with the socialist principle of distribution at the same time; she replied that that simply sounded wonderful.

- 103 -

~~SECRET~~

~~SECRET~~

Indeed, there is good reason to believe that this system had already been introduced on an experimental basis in a select number of cooperatives. According to a 28 November People's Daily article, the very same cooperative mentioned by Kim had already established by the end of October most of the collective livelihood institutions of China's communes, including public mess halls, nurseries, kindergartens, and sewing teams.

It is in the light of these developments that Kim Il-sung's three-week visit to Communist China, initiated immediately after his 20 November speech, must be viewed. The recipient of signal honors and popular demonstrations throughout his tour, Kim was accorded what amounted to a hero's welcome; some 35 central committee members greeted him on his arrival at the Wuhan airport, and a series of conferences was held with Mao, Liu Shao-chi, and Chou En-lai. Kim responded with an enthusiastic endorsement of Communist China's unorthodox programs, which by now were to a large extent those of his own country.

Repeating a statement first uttered on the occasion of China's National Day, the North Korean leader asserted that "the two countries of Korea and China...are advancing to socialism and Communism with flying leaps." As reported in the 27 November People's Daily, Kim made the following laudatory remarks about China's communes:

We are very much interested in the communalization movement.... As a result of setting up public mess halls, nurseries, etc., you have achieved collectivization not only of production but also of livelihood; this means that... you have advanced a step towards Communism.... We will certainly pass on to our peasants the great results you have achieved from your commune movement. Also we will strive hereafter...to strengthen our mutual cooperation in building socialism and Communism.

Kim's accolade was completed in a 10 December speech on returning to North Korea, when he hailed the Chinese programs, already under fire from the Soviet Union, as "an example of the creative application of Marxism-Leninism to the realities of their country and a particularly good example for socialist revolution and construction in countries which were backward and under colonial oppression in the past" (i.e., North Korea).

~~SECRET~~

~~SECRET~~

It remains only to chronicle the precipitate retreat of the North Korean regime once aware of the extent of Soviet displeasure with its defection. At the Soviet 21st party congress in late January 1959, Kim pointedly described his country as preceeding "along the road to socialism," with "the rich experiences accumulated by the Communist party of the Soviet Union and the Soviet people always serving as a guide in all our work." (Underlining supplied) He disavowed Chinese Communist influence even more explicitly in an article appearing in Prada in March 1959, asserting, "Our party and people are creatively adapting...the rich experiences of the Soviet Union in the matter of collectivization of agriculture." With the publication of an article in June 1959 demanding "strict enforcement of the socialist principle of distribution in agricultural cooperatives," Pyongyang appeared to have reverted to type as a Soviet satellite. The events of the preceding year, however, had demonstrated a marked receptivity to Chinese Communist innovations in theory and practice which may well reappear at some future date.

D. The Soviet Response

The Soviet response to the Chinese ideological initiative, at first cautious and then increasingly outspoken, revealed a thorough appreciation of the fundamental nature of Peiping's challenge. Responding to both the ideological and economic pretensions of the unorthodox Chinese Communist programs, the Soviet leadership displayed a firm resolve to maintain its traditional role as the leader and arbiter of doctrine within the bloc. Although constrained by the demands of "proletarian internationalism" to avoid direct public criticism and ridicule, Russian spokesmen throughout the fall and winter of 1958 leveled a series of oblique criticisms clearly intended to deflate Communist China's ideological pretensions, discount its economic claims, and reassert forcefully Soviet primacy in charting a "common road" leading to socialism and Communism for all countries of the bloc. It is likely, moreover, that more palpable forms of pressure were applied to extract the humiliating concessions contained in China's December commune resolution, including at a minimum blunt interparty communications and possibly veiled threats concerning the Soviet aid program. With the appearance of Khrushchev's report

~~SECRET~~

~~SECRET~~

to the 21st party congress, the Soviet Union completed the process of chastizing its junior partner by advancing its own authoritative program of Communist construction for emulation by other bloc countries in the future.

Even in the initial period of relatively restrained commentary in September and October of 1958, the main outlines of Soviet strategy in countering the Chinese challenge were already apparent. A week after the Peitaiho conference adopted the commune program, the Soviet party central committee decided to convene an extraordinary party congress in January 1959. As press articles indicated soon thereafter--especially Khrushchev's announcement of 14 October--a major task of this congress was to discuss and approve "a very great and inspiring program...for building Communism."

The events surrounding China's National Day on 1 October provided further evidence of mounting Soviet displeasure with China's heretical course. Responding to remarks by Vice Premier Chen Yi at a Sino-Soviet Friendship party that "China's communes were established "to create conditions for the transitions to Communism," Soviet chargé Antonov studiously ignored the existence of this radical social organization and referred, perhaps ironically, to the "spectacular plans" of the Chinese People's Republic for rapid industrialization. Developing the Soviet position more explicitly in an anniversary article appearing in People's Daily on 1 October, Antonov pointedly described China as "advancing on the road to socialism" and, in a clumsy circumlocution for the commune program, as adopting "various methods... and forms for mobilizing the masses to solve the task of socialist construction." On the same date, Moscow went so far as to distort a key passage from the August commune resolution in Izvestia, substituting the term "communes" for "Communism" in the original phrase: "the achievement of Communism in China is no longer a remote future event." Thus, almost from the outset, the Soviet Union adopted what might be called a policy of "nonrecognition" of the commune and indicated its pique with the Chinese pretension to be nearing Communism.

Additional elements of the Soviet reaction came to light in the month of October. The first appeared in a 3 October People's Daily article written by the head of a visiting Soviet delegation of journalists, V. P. Moskovsky, chief of the RSFSR propaganda and agitation department of the Communist

~~SECRET~~

~~SECRET~~

party. After a single reference to visiting "people's communes in urban and rural areas," the author made the following suggestive statement: "It is not necessary to discuss China's achievements in agriculture. The Chinese...who created these accomplishments have a clearer understanding of the matter than we do." A year later Khrushchev was to echo the disparaging tone of this remark with his ironic statement in Peiping that "it is not for me, a guest...to talk of your successes."

It is possible, moreover, that certain pointed remarks by Khrushchev in welcoming Gomulka to Moscow in October 1958 were directed not only to his Polish guests but to the Chinese as well. The statement, suggesting resentment over Communist China's special road leading to socialism and Communism, was as follows:

The lesson of history teaches us that socialist and Communist construction can be carried on expeditiously only when all socialist states are united in a common enterprise. It is difficult for one socialist state to construct socialism and Communism on its own.

The Soviet counteroffensive began in earnest in November with the return of Ambassador Yudin to Peiping and with the publication of the Theses of Khrushchev's impending report to the 21st party congress. The identity of themes in Yudin's public speeches, in the Draft theses, and in Khrushchev's congress report as finally delivered suggest that Soviet policy toward the communes had already matured by early November, and that the ambassador had been directed to convey these views directly to the Chinese leadership. The contents of these documents, moreover, reveal that the USSR rejected almost in toto the basic premises of Communist China's commune program.

First the Russian leadership denied the Chinese claim to have discovered in the commune a short cut to industrialization and economic modernization of special relevance to the underdeveloped countries of Asia. This was accomplished by vigorously affirming the "general laws" of Marxism-Leninism which apply to all bloc countries; by asserting the validity of the Soviet model, as the embodiment of these laws, for both Europe and Asia; and by sharply criticizing basic elements of the commune conceived as an instrument of rapid economic development.

Responding directly to the Chinese contention that their innovations demonstrated the "youthful vitality" of Marxism-Leninism, Khrushchev's Theses of 14 November stressed "the great vital power of Marxist-Leninist theory, which affirms that in the development of the socialist revolution and socialist construction in different countries there are

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

basic laws common to all the countries embarking on this path." In his speech to the 21st party congress, Khrushchev developed this theme in the broader context of "mankind's advance to Communism." First alluding to "the tremendous diversity of historical conditions in the different countries" and the consequent "diversity of methods, ways, and forms of applying the common laws," he then made his point. "But for all this, it must be emphasized that the principal, determining aspect in the development of all countries along the path to Communism is the laws common to all of them."

The reiterated assertion that the Soviet model was applicable to Asia as well as Europe was unmistakable. In his 6 November speech in Peiping commemorating the October Revolution, Ambassador Yudin returned time and again to this theme. After devoting a major portion of his address to the great achievements of the Soviet Union in the course of its development, Yudin revealed the purpose of his remarks: "We only want to stress one undeniable fact--that our country in a very short historical period has completed the revolutionary leap from backwardness to become one of the advanced countries of the world." In its triumphant construction of a powerful socialist state, the Soviet Union had "opened up a new road... along which the various countries of Europe and Asia with a combined population of 900 million are moving...."

Yudin later singled out "the experiences of the Chinese revolution," as well as in "a whole series of countries in Europe and Asia," as confirming Lenin's prediction: "The road we follow is the correct road, and therefore other countries must sooner or later follow this road." To remove any possible ambiguity, Khrushchev's Theses were even more explicit in averring the "international significance" of the Soviet example in building socialism and Communism:

V. I. Lenin foresaw that the Soviet Union would exert chief influence on the entire course of world development by its economic construction. Lenin said: 'If Russia becomes covered with a dense network of electric stations and powerful technical equipment, our Communist economic construction will become a model for the future socialist Europe and Asia.' (Underlining supplied)

The Russian leadership reserved its harshest criticism, however, for two features of the commune program on which the Chinese had pinned their hopes for rapid economic development--the commune system of distribution designed to minimize consumption and maximize investment, and the centralization of

~~SECRET~~

~~SECRET~~

ownership in the commune over the means of production as a step toward state ownership and control over all available resources in the countryside.

The Chinese attempt to substitute ideological and political incentives for material reward as the major stimulus for production and to introduce distribution "according to need" despite low levels of production came under a withering attack. Khrushchev's mid-November Theses quoted Lenin in support of the conclusion "that without material incentive it is impossible to lead scores and scores of millions of people to Communism," and he cited "the founders of Marxism-Leninism" who "in their day...criticized a leveling approach to distribution." Khrushchev was more candid in his conversation with Senator Humphrey in December 1958, stating bluntly that "distribution 'according to need' won't work.... You can't get production without incentive." In his January congress speech, the Soviet leader resumed his attack in public when he stressed that the premature introduction of "distribution 'according to need'...would harm the cause of building Communism" and that "leveling in distribution would signify not transition to Communism but discrediting of Communism." By explicitly rejecting the view (prominently featured in Chinese Communist discussion during the fall of 1958) that "distribution according to work signifies application of bourgeois law to socialist society," and by expressly asserting that "material incentives" take precedence over "moral incentives" in socialist society, Khrushchev revealed his deep-seated opposition in both theory and practice to the commune distribution system which only three months earlier the Chinese Communist leadership had hailed as "an event of world significance."

The second economic function of the commune to draw Khrushchev's fire was its assumption of control over all means of production as a step toward the final goal of state ownership within three to six years. Recalling to Senator Humphrey the unsuccessful Russian experiment with communes in the early 1920s, the Russian leader asserted that the commune system "just doesn't work. It is not nearly so good as the state farms and collective farms." At the 21st party congress, Khrushchev spelled out his objections to the Chinese undertaking to move rapidly towards state ownership despite existing low levels of production. First he emphasized that changes in forms of ownership under socialism were governed by "economic

~~SECRET~~

~~SECRET~~

laws and depend on the nature and level of development of the productive forces." Taking issue with the Chinese view that "the collective-farm form had hampered development of the productive forces," Khrushchev asserted that "the collective-farm cooperative form of production relations...can continue for a long time to serve the development of agriculture's productive forces." Then, in an obvious reference to the Chinese program, he arrived at the following pointed conclusion:

"The merger of collective-farm cooperative property with state property into unified public property is not a simple economic-organizational measure but is the solution of the profound problem of overcoming the essential difference between town and country." (Underlining in original)

The next step in the Soviet counteroffensive was to deflate the Chinese pretension to be leading the bloc in an accelerated march to Communism. This was accomplished first of all by pre-empting the Chinese ideological initiative with the announcement of Russia's own accelerated program of Communist construction, and then by refuting point by point the Chinese doctrinal position. In the process, it was made quite clear that the Soviet Union ("the first to blaze the trail to socialism..., the most powerful country in the international socialist system, and the first to have entered the period of extensive building of Communism") would determine the pace and order of bloc progress to Communism, and that Khrushchev--not Mao--would solve the "problems of Marxist-Leninist theory connected with the transition from socialism to Communism."

In outlining the tasks faced by the Soviet Union in their new stage of "extensive building of Communism," Khrushchev placed "prime emphasis" on creating a highly developed "material and technical base." This required among other things "a highly developed modern industry, complete electrification of the country... and complex mechanization and automation of all production processes..." and overtaking the United States "as the most highly developed capitalist country" in economic development. These lofty material requisites had the effect (doubtless intentional) of leaving the underdeveloped economy of Communist China far behind--an effect heightened by Khrushchev at the 21st party congress when he listed the Chinese People's Republic as lagging behind four Eastern European satellites in progress toward industrialization.

~~SECRET~~

~~SECRET~~

Khrushchev then hit hard at the ideological rationale for China's short cut to Communism--Mao's heretical concept of "uninterrupted revolution." Characterizing the "transition to Communism" as "a logical historical process which one cannot arbitrarily violate or bypass," the Russian leader referred obliquely to his Chinese counterpart as "some comrades" who "say that the principles of Communism should be introduced sooner." In the absence of the necessary material and spiritual conditions, however, this would produce "equalitarian Communism" and "harm the cause of building Communism." Despite the circumlocution, it was clear that Khrushchev was attacking the Chinese Communist practice of telescoping the revolutionary process leading to Communism. The pointed reminders throughout the period that China was "building socialism" further confirm this conclusion.

Having stressed the necessity of highly developed productive forces--material abundance in industry and agriculture--as the main criterion measuring progress to Communism, Khrushchev proceeded to deny the Chinese claim that highly developed production relations also constituted a significant step to Communism. Well aware that the very term "commune" connoted an imminent Communist society, the Russian leader studiously avoided the term in his congress speech--a "nonrecognition" policy which persists to this day. Khrushchev then disparaged the significance of China's public mess halls, kindergartens, and nurseries by pointing out that these "first shoots of Communism" had appeared "in the early years of Soviet rule," and that in any case "we now have not just a few shoots but a whole system of various organizations of the Communist type." By gratuitously discussing the "equalitarian" distribution system in force during Russia's early period of "war Communism," Khrushchev also implied that China's "free supply" system signified not an advanced but a backward status of economic and social development.

Even the one ideological pronouncement by Khrushchev that was apparently intended as a concession to the Chinese--that all socialist countries would "enter the higher phase of Communist society more or less simultaneously," revising a Soviet position taken only in October--had the effect of relegating Communist China to an inferior status on a par with other satellite nations. As one of the "economically backward countries," China was offered the opportunity of "making up for lost time" by drawing on the experience, cooperation, and mutual assistance of other socialist countries." With this pointed reminder of Chinese dependency on Russia's economic aid, the Soviet counter-offensive was complete. Assuming that most of these views had already been transmitted to the Chinese in early November, the next move was up to Peiping.

~~SECRET~~

~~SECRET~~

E. The Chinese Rejoinder

Before turning to a discussion of the Chinese retreat (the subject of the concluding chapter), it is necessary to examine briefly certain Chinese Communist policy statements in early November which together constituted a rejoinder to the Soviet indictment of their commune program. These statements are of interest not only for determining the chronology of the Chinese policy reversal--announced publicly by Chu Teh on 21 November--but also for revealing the strategy of Communist China's last-ditch stand in defense of the commune. As the Soviet Union had utilized the occasion of China's National Day on 1 October to advance its initial objections to the commune experiment, the Chinese leaders presented their counterarguments in the guise of celebrating the anniversary of the October Revolution.

By far the most important of these statements was the 1 November Red Flag editorial entitled, "Raising the Red Banner of the October Revolution." Despite its title, this authoritative editorial was devoted almost entirely to a discussion of the Moscow Declaration of Communist and Workers Parties adopted in November 1957. In brief, the Chinese Communists were citing the Moscow Declaration--interpreted by some Western observers as indicating a new monolithic unity of all bloc countries--as a charter authorizing their special road to socialism and Communism.

This was accomplished first of all by praising the declaration as "further developing Marxism-Leninism and enriching the theoretical treasure-house of socialism-Communism." This was selective praise, however, reserved for those passages which criticized "dogmatism" and called for the "creative development" of Marxist-Leninist theory. Quoting Marx and Lenin to the effect that "our teaching is not a dogma" and Comrade Mao to the effect that "theory originates...and is proven in practice," the editorial issued the following pointed warning to the leadership of the Soviet Communist party.

To avoid making big mistakes politically, we Communists must learn from the example of Marx, Engels, and Lenin; be able to respect and reflect revolutionary-practice; ceaselessly sum up experience through practice; and constantly develop theory further so that theory may be constantly applied to guide practice. (Italics in original)

~~SECRET~~

~~SECRET~~

That these "developments" of theory were in fact Communist China's own unorthodox programs was demonstrated by the accompanying assertion that "the great leap forward and...the movements to set up people's communes and organize the whole people in militia forces prove to the whole world the tremendous youthful vitality in socialism-Communism."

A detailed rebuttal of Soviet criticism, though couched in veiled terms, then appeared in the following italicized passage:

In our country, such conservative ideas as insufficient confidence in the superiority of the socialist system; underestimation of the power inherent in the masses; gross underrating of the speed of development; and not daring to think of taking gradual steps toward the more advanced Communist society have been proven incorrect by the lesson of innumerable facts during the past year. (Italics in original)

In view of the content, the didactic tone, the unusual device of printing key passages in heavy black type, and especially in view of the occasion, it is reasonable to conclude that this editorial was intended not only as a spirited defense of Communist China's commune program but also as a pointed criticism of the ideological failings of Soviet leadership.

The speeches and articles of Chinese leaders during the formal anniversary ceremonies did little more than paraphrase the Red Flag editorial. Responding to the indictment of Communist China's unorthodox programs implicit in Ambassador Yudin's speech in Peiping on 6 November, Politburo member Liu Po-chu once more advanced the Moscow Declaration as a sanction for these programs, adding that they had "demonstrated the unprecedented enthusiasm and initiative of the Chinese people in building socialism and striving for the realization of Communism." Vice Premier Chu Teh, speaking at a Soviet reception the following day, repeated the formula that China's "great leap forward" and commune programs testified to "the immense youthful vitality of Communist ideology."

~~SECRET~~

~~SECRET~~

Even more striking was an article appearing in the 7 November People's Daily by Soong Ching-ling, president of the Sino-Soviet Friendship Association. As a vigorous statement of the Chinese position before the retreat, the following passage deserves extensive quotation:

At present we have a new phenomenon in world history: socialist countries, the Soviet Union and China for example, overtaking and surpassing the most advanced capitalist countries in variety, quantity, and quality of output....This is just a harbinger of what is to come. For the results under socialism will be greatly exceeded by the productivity under Communism. And already the first buds of Communist society are beginning to emerge in the Soviet Union and China, as well as in other socialist countries.

In this connection, the people's communes which have sprung up in China's countryside are of unusual interest. This is a higher form of collective life which even now has begun to supply food and clothing without charge, as well as welfare services and cultural activities of all kinds....If this can be done in a country as poor and backward as China once was and in the short time of nine year since liberation, this is proof enough of the power of the Communist spirit and how it brings forth new people who dare to think, say, and act so everyone can have a highly prosperous life. (Underlining supplied)

Within a fortnight after this idyllic conception of Communist China marching hand in hand with the Soviet Union to material abundance and Communism, the Chinese were suddenly to sound the signal for retreat.

~~SECRET~~

~~SECRET~~

IV. THE CHINESE RETREAT

As suggested earlier in this paper, the conflict in the fall of 1958 between the commune in theory and the commune in practice--between ideology and reality--was a traumatic experience from which the Chinese Communist Party has yet to recover. The glaring discrepancy between promise and performance called into question not only the validity of the party's programs but even the competence of the party's leadership. Responding to the pressure of events and to the rising tide of both Soviet and domestic criticism, the Chinese Communist leadership was compelled to undertake a fundamental and humiliating retreat encompassing both the commune and "great leap forward" programs. It is to a brief examination of the manner, character, and magnitude of this retreat that we now turn.

It is important to note at the outset the Chinese Communists' concerted effort to camouflage the nature and extent of this retreat. An obvious example of this deception was the retention of hopelessly unrealistic production goals until well into 1959, despite the near collapse of the economic programs on which the "great leap forward" was based. Intent to deceive was readily apparent, moreover, in the equivocation and calculated ambiguity of the December commune resolution. Still another instance was the transparent attempt at Wuhan to dissociate the party's leadership--especially Chairman Mao--from the more radical and unsuccessful features of the "leap forward" and commune programs, even to the point of patently falsifying the record.

The signal for retreat on both the economic and ideological fronts was sounded by Vice Premier Chu Teh on 21 November. The abruptness of this basic policy reversal was demonstrated by the euphoric tone and content of the People's Daily editorial of the same date. According to this editorial, China's economy was still progressing at the rate of "one day equals twenty years" in a program leading to the "rapid completion of socialism and the transition to Communism."

Chu Teh's address to a national conference of youth activists, however, was in a completely different vein. Stressing that he appeared as a representative of the

~~SECRET~~

~~SECRET~~

central committee, Chu disclosed the party's decision to reverse course:

Our task in the present stage is to build socialism ...and prepare conditions for the future transition to Communism...Our achievements so far, when compared with the necessary standards marking the completion of socialism and the supreme ideal of Communism, still lag far behind. (Underlining supplied)

Then, warning of the danger of "going astray or behaving like Utopians...and making big mistakes," Chu concluded by stressing the need "to combine revolutionary enthusiasm with realism" in approaching the "very many new problems and much difficult work" ahead.

In the space of a few paragraphs, Chu had revealed the two major policy shifts which would be formally adopted by the impending Wuhan central committee plenum--the decision to abandon the claim of advanced status on the road to socialism and Communism, and the decision to undertake an agonizing reappraisal of the "great leap forward" program of economic development.

A. Retreat From the "Great Leap Forward"

There was already abundant evidence that the "great leap forward" program urgently needed a major overhaul. Most important was the disclosure that the Chinese Communists had decided to terminate their ill-fated experiment with the "native" production of iron and steel. As discussed at some length in an earlier chapter, the decision of a national industrial conference in early November "to reorganize, consolidate, and elevate" the mass iron and steel campaign, as well as its call to "treat the whole country like a chessboard," sounded the death knell of China's "short cut" to industrialization. The three premises of this short cut--rapid decentralization of controls, displacement of technicians by party enthusiasts, and reliance on "native" technology--were revealed as faulty and as having produced serious waste and serious disproportion in the national economy.

A series of emergency directives and People's Daily editorials during October and November testified to the mounting crisis in agriculture, occasioned largely by the diversion of 40 percent of the peasant labor force to the

~~SECRET~~

~~SECRET~~

mass iron and steel campaign. The belated decision in early November to rectify this error and at the same time to "let the peasants rest" was another indication of the need to slacken the pace and regroup forces in the countryside. By December the standard explanations for the shortfall in state procurement and the urban food shortage no longer was convincing, and it was thus necessary to concede "exaggeration, lies, and falsification" in the reporting of agricultural production. The warning against "exaggeration" and the call for "a practical and realistic style of work" in the December commune resolution underlined the growing awareness of the Chinese Communist leadership that its agricultural production claims in 1958 were grossly inflated.

The near collapse of China's tool-reform and farm-mechanization programs was also evident by early November. Particularly revealing was the 4 November People's Daily editorial which admitted that "the tool-reform movement in not a few areas has almost come to a halt"; an accompanying chart demonstrated that less than 30 percent of the annual plan for production of ball bearings and towing-cable machines had been fulfilled. Following these admissions, the claim to have discovered a "short cut" to agricultural mechanization was abruptly withdrawn.

What is more, it was becoming painfully clear that the commune was unable to perform its assigned role in the "great leap forward." With the mounting realization of the shortfall in agriculture and with the almost complete breakdown of the wage-supply system of distribution, it was no longer possible to look to the commune for the large amounts of capital necessary to finance the leap to industrialization. Furthermore, the expectation that the vastly expanded size of the commune would permit more efficient utilization of the factors of production had not been borne out in practice. The admission in the December resolution that the commune administrative structure was in need of a thorough overhaul suggested the opposite--that the "vastness" of the commune organization had produced not more but less efficiency. The final economic function of the commune--the intensive exploitation of human labor "organized along military lines"--had already aroused widespread popular opposition by the late fall of 1958. The injunction to "let the peasants rest" and the increasing concern in party publications over the "commandism" of rural

~~SECRET~~

~~SECRET~~

cadres revealed that the gains to be realized from militarized production had already reached the point of diminishing returns.

Thus there is abundant evidence to support the conclusion that the Chinese Communist leadership decided at Wuhan to undertake a major overhaul of its "great leap forward" program. The cumulative effects of failure in the mass iron and steel campaign, of grave imbalance in the national economy, of serious trouble in agriculture, and of the near collapse of the tool-reform and farm-mechanization programs dictated a forced retreat on the economic front. Although political considerations were to perpetuate hopelessly unrealistic "leap forward" goals until well in 1959, the December commune resolution revealed that the era of extreme economic pretensions was at an end. In place of former claims to have discovered a "short cut" to agricultural abundance, industrialization, and agricultural mechanization, and the resulting achievement of socialism within three to five years, the resolution contained the following sober appraisal of China's future economic development: "The building of a socialist country with a highly developed modern industry, agriculture, science, and culture... will take 15, 20, or more years to complete, counting from now."

B. Retreat From the Commune

It was in the commune program proper, however, that the magnitude of the retreat in December 1958 was most clearly revealed. The sudden policy reversal was too much even for Peiping's skilled propagandists to conceal. What made the retreat more galling and humiliating was the fact that it appeared to result largely from Soviet pressure.

Soviet intervention was almost certainly responsible for the decision to abandon the extreme ideological pretensions originally advanced for the commune--particularly the claim that this radical social organization provided a short cut to a Communist society. This retreat was accomplished first of all by nullifying the ideological rationale for China's head-long advance to Communism--Mao's heretical concept of "uninterrupted revolution." As discussed at some length earlier in this paper, this "creative development" of Marxist-Leninist theory had served as the doctrinal justification both for initiating the commune program and for telescoping the revolutionary process in a conscious effort to blur the stages

~~SECRET~~

~~SECRET~~

of socialism and Communism. In the December commune resolution, however, the Chinese Communists found it necessary to negate this thesis with its antithesis--"the Marxist-Leninist theory of the development of revolution by stages"--and to concede that "these stages of socialism and Communism, different in quality, should not be confused." The difficulty in explaining this sudden reversal of course was suggested by the accompanying directive: "In order to clear up misconceptions...extensive and repeated publicity...based on this Marxist-Leninist point of view must be carried out."

The second step in the Chinese ideological retreat was to acknowledge the Soviet position that highly developed productive forces--material abundance in industry and agriculture--were indispensable for the advance to Communism. Once this was conceded, the Chinese Communists could no longer maintain that highly developed production relations (i.e., the commune) in themselves signified an important step to Communism. Thus it was necessary to withdraw, or at least mute, the original claim that the commune displayed the "first shoots of Communism."

The retreat was most evident with respect to the original commune system of distribution featuring the "free supply" of commodities allegedly distributed "according to need." As noted earlier, this attempt to substitute political and psychological incentives for material incentives in the production process was largely abandoned at Wuhan. Originally hailed as a manifestation of "the economic system of Communism," the Chinese Communists now emphasized that the commune distribution system, "in essence...still socialist," was "actually a form of socialist distribution."

As another example of retreat in the sphere of production relations, the Chinese Communists also abandoned their original plan to move rapidly toward "all-people ownership" (i.e., state ownership) of the means of production in the countryside. Whereas the initial August resolution had envisaged this process as requiring only three to six years, it now was admitted in the December resolution that the requisite period of time would be determined "by objective factors...and not by mere wishful thinking that it can be done at any time we want it." Inasmuch as it was necessary first to raise considerably "the level of development of production and the level of the people's political

~~SECRET~~

~~SECRET~~

understanding," the transition from collective ownership to "all-people ownership" would be realized "only after a considerable time."

The last of the "shoots of Communism" to be drastically modified at Wuhan was the system of collective livelihood embodied in the communal mess halls, nurseries, kindergartens, and "housing estates." Responding to this time to domestic pressure in the form of peasant opposition, the December resolution conceded the principle of voluntary participation in these communal services and reaffirmed the integrity of the individual family, including the young and the aged. The announcement soon thereafter of the restoration, in effect, of the peasants' "private plots" was still another admission that the commune had failed in its responsibility "as organizer of the livelihood of the masses."

Thus, one by one the major economic and doctrinal pretensions advanced for the commune program had been stripped away. It was still necessary, however, to retract the most inflammatory ingredient in the original Chinese ideological challenge--that the commune and related programs were applicable to other bloc countries, with special relevance to the Asian satellites and, by extension, to all underdeveloped areas of the world as well. This was accomplished in the December resolution by depicting the commune as a distinctively Chinese institution and by carefully restricting its application to China in discussing the future transition to Communism. With this final concession, Communist China appeared to have acknowledged the traditional role of the Soviet Union as the leader and arbiter of doctrine within the Communist bloc.

Epitomizing the extent of the Chinese retreat was a brief reference in the closing speech by Vice Premier Chen Yi to a national conference of youth activists in early December. In striking contrast with the original contention--originating in Chen Po-ta's initial Red Flag article in July and persisting through the August resolution until well into November--that the commune would permit China to realize Communism "in the not distant future," the vice premier on this occasion "issued

~~SECRET~~

~~SECRET~~

an important directive dealing with the current task of building socialism and the distant prospect of Communism. (Underlining supplied) Even the most zealous cadre could not escape the conclusion that the party leadership had erred badly in the drafting and execution of the original commune program.

C. Resignation of Chairman Mao

The historic Wuhan plenary session of the central committee decided not only to initiate a general retreat in both the "leap forward" and commune programs, but also "to approve the proposal of Comrade Mao not to stand as candidate for Chairman of the People's Republic of China for the next term of office." In view of Mao's leading role in the formulation of these radical programs, it is hardly conceivable that his decision to resign was unrelated to the sorry performance of the commune in practice. At the same time, the record does not support the conclusion of some western observers that Mao relinquished his position as government leader under compulsion. It is to this final act in the drama of significant events in 1958 that we now turn.

As suggested earlier in this paper, Peiping's apologists were faced with a formidable task in attempting to dissociate Mao from the extremism of the original commune program. One tactic employed in the December commune resolution and surrounding commentary was to ascribe all the defects of the commune experiment to a nebulous group of unidentified "comrades", as in the following excerpt from the 21 December People's Daily editorial: "In the same way as in the tremendous leap forward achieved in 1958, which sparked some radical, unrealistic views, the development of the people's communes has given rise to views of a similar nature among some of our comrades." (Underlining supplied)

Another device was to revive a tried and tested prescription advanced by Chairman Mao on previous occasions to justify policy reversals--"the principle of despising difficulties strategically and of treating them with respect tactically." Still another device was to stress the central role of Mao at the Wuhan plenum. As far as the public record is concerned, Mao was the only Chinese leader to address the party conclave, and the decisions to retreat were all adopted "at the suggestion of Comrade Mao."

~~SECRET~~

~~SECRET~~

Most noticeable, however, was the attempt to demonstrate that Mao all along had charted the correct course despite the opposition of rightist conservatives on the one hand and "leftist" adventurists on the other. In order to support this position, it was necessary to resort to outright falsification of the record. Whereas Mao had personally sponsored the headlong advance to Communism in 1958 in the name of "uninterrupted revolution," the 31 December People's Daily editorial now asserted, "Comrade Mao has repeatedly pointed out that the task of our party and our people at the present stage is to build socialism." (Underlining supplied)

Much nearer the truth was the charge denied in the same party organ editorial--that "the commune movement arose...from Utopian concepts and the commands of a few people." As demonstrated at considerable length in this paper, it was precisely Chairman Mao and the group of his principal lieutenants--Liu Shao-chi, Teng Hsiao-ping, Tan Chen-lin, and others--identified in previous ESAU and POLO papers as "party machine" figures, who had assumed personal leadership of the commune movement throughout 1958 in a program purporting to lead to an imminent Communist society in China. No amount of sophistry or special pleading could conceal this fact from the rank and file of the party--especially from those elements within the party and government (administrators, economic specialists, and military figures) who appeared from the outset to question the feasibility of the program. As the magnitude and nature of Communist China's humiliating retreat became more and more apparent in the winter and spring of 1959, the resulting corrosion of unity and discipline within the party and resulting apathy of the population at large were to precipitate the virulent campaign against "rightist opportunism" still under way today.

One important feature of this retreat remains to be emphasized. Despite the disavowal of most of the economic and ideological pretensions originally advanced for the commune program, the Chinese Communists at Wuhan still persisted in asserting the "great historic significance" and "correctness" of the experiment. Even during this period of capitulation to Moscow, the Chinese would accord no higher praise for the recently announced Soviet program of Communist construction than that it also was of "great historic

~~SECRET~~

~~SECRET~~

significance." The "correctness" or legitimacy of the commune was underlined in the 1 January 1959 Red Flag editorial declaration that it conformed "with the ideals expressed from the time of the Utopian socialists down to and including the founders of Marxism-Leninism."

The appearance of a curious phrase in the 21 December People's Daily editorial on the Wuhan plenum provided another indication that the Chinese would cling to the hard core of their commune program despite Soviet opposition. This was the pointed and almost unprecedented reference, in discussing the course of China's revolutionary development, to "China's Marxist-Leninists represented by Comrade Mao Tse-tung." The implication was clear that Communist China, in the person of its "sincerely beloved and long-tested leader," still reserved the right to interpret independently the corpus of Marxist-Leninist doctrine in the light of its own needs and special conditions.

The circumstances surrounding Mao's decision to resign as government chairman thus suggest not an act of surrender to opposition forces either within or outside the country, but a resolve to devote maximum time and energy to rectifying a situation which had gotten badly out of hand. Indeed, it is believed that the official explanation in this case was largely true--that his resignation would permit Mao "all the better to concentrate his energies on dealing with questions of the direction, policy, and line of the party and the state...and to set aside more time for Marxist-Leninist theoretical work...."

It was to require nearly a year of arduous toil before the more flagrant errors of the commune and "leap forward" programs could be corrected and the political errors of "right opportunists" overcome. At that time, the bitterness and frustration of continuing Soviet opposition to these programs would erupt in an acrimonious debate with Moscow over fundamental tenets of Marxism-Leninism--a debate in which Mao Tse-tung would once more be presented as "the most outstanding contemporary revolutionist, statesman, and the theoretician of Marxism-Leninism." With the frenetic drive to organize urban communes in the spring of 1960, it appeared that the Chinese Communists were determined once again to advance, although at a somewhat slower pace, toward a number of the original goals of the commune program. Soviet intransigence and Communist China's new assertiveness

~~SECRET~~

~~SECRET~~

would demonstrate at that time how little progress had been achieved during the preceding 18 months in resolving the basic policy and ideological conflicts introduced into Sino-Soviet relations by China's communes.

- 124 -

~~CONFIDENTIAL~~

~~SECRET~~