

**CHINA  
SHAKES  
THE  
WORLD  
AGAIN**

MONTHLY REVIEW PRESS **\$1.00**

# China Shakes the World Again

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MONTHLY REVIEW PRESS

New York

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*The articles by René Dumont and K. S. Gill appeared in the December 1958 issue of Monthly Review; those by D. D. Kosambi and Charles Bettelheim in the issue of March 1959; and the editorial by Leo Huberman and Paul M. Sweezy in the issue of February 1959.*

MANUFACTURED IN THE UNITED STATES OF AMERICA

## INTRODUCTION

Following the victory of the Chinese Revolution, Jack Belden wrote a memorable book which he called *China Shakes the World*. Now, a decade later, China is shaking the world again, but this time neither Jack Belden nor any other American with access to the mass media of communication is there to report the event. The stupidity—and the danger—of this situation is made by a simple fact; one out of every four people in the world is Chinese. Yet thanks to the Dulles policy of enforced American isolation, the American people are obliged to rely for most of their information on second-hand reports coming out of Hong Kong which have about the same relation to the truth as did the reports coming out of Riga in the first years of the Russian Revolution.

In these circumstances it seems to us to be an important duty of the American press to make available to its readers observations and interpretations of Chinese developments drawn from reliable foreign sources. On the whole, the press has not been discharging this duty, though there have been honorable exceptions (the Canadian scientist J. Tuzo Wilson's fascinating article "Red China's Hidden Capital of Science," in the Science Section of *The Saturday Review* of November 8, 1958, is a case in point). Our purpose in publishing—first in MONTHLY REVIEW and now in this booklet form—the articles which appear below, is to help remedy this default and to bring to readers an authoritative account of the latest social and economic achievements in China.

The first article, "China's Communes," is by Professor D. D. Kosambi, distinguished Indian scientist, statistician, archaeologist, and historian. Professor Kosambi has been in China frequently in recent years—part of the time as a technical consultant to the Chinese government—and he keeps in close touch with latest developments. "China's Communes" was originally published in MONTHLY REVIEW, March 1959.

The second article, "China's Economic Growth," is by Professor Charles Bettelheim of the École Pratique des Hautes Études, the Sorbonne, Paris. Professor Bettelheim was a member of a delegation of French economists which toured China in the summer of

1958. He is the author of numerous works on economic planning and the problems of underdeveloped countries, and is one of a distinguished group of foreign economists who have served as consultants in the development of India's five year plans. "China's Economic Growth" originally appeared in four parts in the *Bombay Economic Weekly*, November and December, 1958. The present somewhat abridged version appeared in *MONTHLY REVIEW* for March 1959.

The third article, "Chinese Agriculture," is by René Dumont, Professor of Comparative Agriculture at the Agronomic Institute in Paris. Professor Dumont is the author of *Révolution dans les Campagnes Chinoises* (1957) and one of the leading Western authorities on Asian agriculture. The article originally appeared in *Le Monde*, October 12, 1958, and in English in *MONTHLY REVIEW*, December 1958.

The fourth article, "Turning Labor Into Capital," is by the Indian economist K. S. Gill and first appeared in the special July, 1958, issue of the *Bombay Economic Weekly*. It was republished in abridged form in *MONTHLY REVIEW*, December 1958.

To these four articles by foreign authorities on China we have added our own editorial, "The Chinese Communes," from the February, 1959, issue of *MONTHLY REVIEW*, which seeks to analyze typical American reactions to recent developments in China. Conservatives, we argue, have every reason to be alarmed by what is happening there: it is the boldest attempt yet made to put into practice the ideas and ideals of the great socialist thinkers of the past. By the same token, radicals should greet China's pioneering efforts with enthusiasm and hope, and should wish the Chinese people all success. The message, we think, is an appropriate one to repeat in the present context.

Very few of us can hope to be experts on China, but we all not only can but should have a considered attitude toward what is happening in that great country. We hope that the material made available in this booklet will help readers to make up their own minds on what they think and why they think it.

LEO HUBERMAN  
PAUL M. SWEZY

*New York City*  
*April 1959*

## CHINA'S COMMUNES

BY D. D. KOSAMBI

That an event of profound historical importance has taken place in China is clear from the violent outburst of hostile comment and the stunned silence of those who should have evaluated these new happenings. The Chinese themselves are too busy with the exhilarating work of a second revolutionary advance within ten years; the powerful swimmer engaged in breasting the flood need not pause to chart the river for others. So, let us analyze the situation for ourselves.

### The Basic Facts

These are unquestioned. The commune consists of a merger of many individual cooperatives. The area crosses several former county (*hsien*) boundaries, according to the nature of the terrain. Twenty thousand or more people might be members of a single commune. The production is not specialized, but on the contrary covers cereal-producing fields, cotton plantations, orchards, whole mountainsides for pasturage. Even beyond this purely agrarian variety, the commune may (and does) engage in direct industrial activity such as producing iron and steel, building their own hydro-electric stations, manufacture of ceramics, cloth, etc. Children's crèches, hospitals, schools, even new types of work-and-learn colleges, are managed by the communes themselves. Food is served in communal canteens as both husband and wife work. The *meals are free or at a nominal cost*, and far better in quantity and quality than ever before. The commune may vote to supply labor for short periods to construction projects, industries, or mines outside their area, quite apart from workers specially deputed for such training. Overall employment is so full that there is now a shortage of personnel. The people concerned are supplied by the commune and their earnings added to the commune's funds. The communes are highly solvent.

The sudden leap ahead in production is not to be denied. Even those newspapermen abroad who live by discounting such statistics are flummoxed. That this is a permanent gain, not due just to a chance year of good weather and suitable rainfall, is also clear. Thus, the economic foundations and the productive advantages of the com-

mune are proved beyond any doubt. The Chinese themselves have found their own achievements staggering. None less than Chen Yi, Foreign Minister and Vice-Premier, had to go and see the results with his own eyes in an area where he had himself cultivated a plot or two as a stripling, to appreciate the fact that there is no overstatement.

Far more significant than the productive achievements are those in the administrative field. The local administration was simply abolished, and the personnel absorbed within the commune—not necessarily as administrators. This covers police, revenue officials, courts and judges, etc. The commune takes over such of their functions as are still necessary, and deals directly with the higher state organs. That is, certain small but nevertheless important parts of the state machinery have vanished altogether. To that extent, the *state mechanism has begun to wither away*. Control over people has been replaced by the people's control over things. Though predicted by Marx and Engels, this is the first known example of the kind in actual practice. Neither in the other peoples' democracies, nor in bourgeois democracies, nor in the countries that have recently achieved their independence has the state machinery ever been reduced to an extent that counts. On the contrary, the mechanism of administration and of violence is in general steadily increasing, both as to cost and weight. It might be argued that this is due to the hostile environment, the eternal threat of war. For China, the environment is not less hostile than for any other country, with fully equipped enemy bases in Japan, Korea, and Taiwan, not to speak of the trade embargo and economic blockade. Yet the Chinese people have been the first to take this great step towards the real beginning of human history.

### The Initiative

The change was not planned from above, nor directed from the top. This is proved by the fact that, even now, there is no fixed model for a commune, no iron-clad rules or constitution. The most economic size and organization for a commune yet remain to be determined. In fact, the most reliable reports go further. The first move came from the peasant cooperatives themselves, and were initially opposed by local and provincial CP secretaries. The reasons for such opposition lie presumably in 1956 events in Hungary and Poland, where the collectivization drive had to be moderated at least

for the time being. For that matter, even so competent an organizer as Khrushchev had to abandon the earlier *agrorod* schemes in the USSR, because they proved unproductive. The Chinese, who have a more powerful peasantry with long-ingrained habits of thought, naturally took heed, and wanted to encourage more individual production, larger private plots, more privately-owned livestock, and such incentives. It was the peasantry that protested, insisting that the correct answer was more and larger-scale cooperation, not less. Then the cattle could be pastured on the hillside land, all bottom land rotated between cereals. Cash crops and long-term investments such as orchards and timber would be possible only when the unit was geographically large and the immediate food problem solvable for the entire unit.

The dispute went to the high command and then the CP showed real leadership. The cooperatives that wanted to form communes were told to go ahead, given such loans and technical advice as *they* felt necessary. The CP cadres joined in the work—not to give directives from above but to learn the new methods of production and reorganization so as to be able to spread the knowledge to others. This role of activation can be fulfilled only by an alert and sound party; this is the precise meaning of CP leadership here. But all details had to be worked out by the first communes for themselves.

It might be noted that this development makes nonsense of the usual bureaucratic planning from above, which was the only known planning hitherto and which seems necessary even now for large-scale industrial enterprises. The national income would be computed from statistics, experts would decide how much should be ploughed back for capital formation, the ratio between consumer and industrial goods, agriculture and urban industry, etc. Then the plan would go through the political and administrative mill (committees and ministries) to be divided into components and so fulfilled (or not) by the masses. In China, the masses are planning much more efficiently than could any experts. As a result of the Hundred Flowers policy, they have begun to question everything in the books on an experimental basis. When it was "scientifically proved" that a certain crop had such and such a maximum yield, the peasants tried to better it, and generally succeeded, in some cases doubling the "maximum" with ease. This, after all, is the real unity of theory and practice, in the political as well as technological field. This is the only way of bringing science and technology to life.



### Regimentation

We now consider the most serious reproach, that the Chinese achievements imply an unprecedented coercive military organization, strengthening of dictatorship and use of force over the citizens. The whole world is in some unspecified danger from China. The American State Department and press are quite naturally upset, for all calculations about the time it would take to industrialize China have been well and truly washed out.

How does the commune run itself? Certainly not under orders of higher state officials. There is an elected council, and sections for management. Every project is discussed in full by all concerned, but the council is the coordinating body. The people organize themselves into brigades and squads, with leaders elected generally on grounds of experience. Then the work is divided according to the need of the moment and the capacity of the group. The commune functions as one large family, but the "elders" do not occupy an immutable position by birth. The inequality of personal incomes is negligibly small, even between council members and simple workers.

During the work, orders are given and obeyed, but every part of every project is discussed at each stage, so that these orders have motivation and the obedience a voluntary aspect. This sort of group discussion has been practiced by the Chinese since 1950, and is nothing new.

There is no question now of property rights and disputes within the commune, nor between the cooperatives which were formerly separate. Individuals realize that they have no need which the commune will not fulfill, and that by strengthening the commune they assure themselves a better future—not at some vaguely distant period, but from the very present. Uncomprehending foreigners ask: "What about the cheat, the thief, the shirker, the black-marketer?" Such a question is difficult for the Chinese to understand. Just as it is a matter of course and good public manners in some countries not to spit or to use bad language, so it is now a natural thing in China not to shirk. Everyone puts forward his best effort, no one is ashamed to learn. Certainly, no policeman is needed to drive people; there is no court-martial attached to the workers' brigade in a commune. So the Chinese people can work without compulsion just as they can live comfortably without alcoholism, juvenile delinquency, tranquilizers, and prostitution.

The communes do take military training. This is much easier

than sending people away for Red Army service, and can be adjusted according to seasonal needs for labor. With the hostile environment noted earlier, and Chiang's agents still being parachuted into China, it would be stupid not to be prepared. But beyond this there is no sign of regimentation. Even in war, absolute regimentation need not mean supreme efficiency. Roman armies were at their best when fighting in a cause they understood and when citizens rather than professionals filled the ranks. The spiked drawbridge that defeated the superior Carthaginian fleet was the invention of an unknown Roman, not of the patrician commander.

Future regimentation in the foreign critics' sense is not impossible, but there is no reason for the Chinese to adopt it when both food production and the people's morale are so high now. The essential is to maintain both, particularly the new mass-initiative from below in every branch of technique, and to allow it to infuse a wonderful new life into political activity. Compulsion means stress, and stress cannot be hidden from any reasonably intelligent observer. Unbiased foreign visitors generally remark that the Chinese as a whole are today the most relaxed, well-adjusted of nations.

## CHINA'S ECONOMIC GROWTH

BY CHARLES BETTELHEIM

In the course of last summer, together with a group of French economists, I had the opportunity of visiting China and studying the economic development of that country.

I shall not dwell on the standard of living of the Chinese people as it appears to any traveler. However I cannot but relate the extraordinary impression created by the disappearance of all the social stigmas of "underdevelopment." Knowing Asia and having seen the misery of some of the peoples of that continent, also being acquainted from hearsay with what Chinese misery was like ten or twenty years ago, I was deeply impressed to see, in the towns as well as in the villages, a properly dressed, apparently well-fed, healthy, and cheerful population. Though I had read a lot about present China, I did not visualize such a transformation, and I can say that all through my stay this feeling of a transformation, a change of a magnitude and rapidity unprecedented in history, never left me.

What also impressed me was the remarkable variety of the goods available in shops, and this with regard to food products as well as with regard to clothes, cottage industry products, and industrial consumer goods manufactured in China. For one who had seen the austerity of the Soviet second five-year-plan years, this was also a great surprise.

But above all, the feeling prevailing among my economist colleagues and myself was that of finding ourselves in a country that goes ahead at an unbelievable speed and which, in this respect, outdoes all the performances that could have been achieved elsewhere. All the conversations we had with central economic leaders and leaders of enterprises, all the accounts given to us about the activity of this and that branch of industry, this and that concern or cooperative, show rates of growth much superior to the already very high ones that were achieved in the course of the first five-year plan and which place China in the forefront of the world with respect to pace of growth.

The only country with whose growth the Chinese growth can

be compared is the Soviet Union. It therefore seems indispensable, in order to size up the success China has had in her present economic development, to compare Chinese rates of growth with those recorded by the USSR at the beginning of its period of industrialization. We shall afterwards have to ask ourselves how China achieved these results and what are the original characteristics of Chinese economic development.

### Comparative Rates of Industrial Growth

I shall begin by recalling some rates of growth in the field of industry.

In the course of the first five-year plan (1952-1957) Chinese industrial production progressed at an average annual rate of 19.2 percent. This average, though very remarkable, is not superior to the rate of progress of Soviet industry in the course of the first five-year plan of the USSR (1927-28/1932) which was also of the order of 19.2 percent.

The accompanying table gives comparative figures for a number of important products:

|                                    | USSR |      |                     | CHINA |       |                     |
|------------------------------------|------|------|---------------------|-------|-------|---------------------|
|                                    | 1928 | 1932 | Index<br>(1928=100) | 1953  | 1957  | Index<br>(1953=100) |
| Cast iron, mn tons                 | 3.3  | 6.2  | 188                 | 2.2   | 5.9   | 271                 |
| Steel, mn tons                     | 4.3  | 5.9  | 137                 | 1.8   | 5.35  | 302                 |
| Coal, mn tons                      | 35.5 | 64.4 | 181                 | 66.6  | 124.3 | 181                 |
| Electricity, '000 mn kwh           | 5.0  | 13.5 | 270                 | 9.2   | 19.3  | 210                 |
| Chemical fertilizers,<br>'000 tons | 135  | 921  | 682                 | 263   | 804   | 305                 |
| Cotton fabrics,<br>'000 mn meters  | 2.67 | 2.69 | 101                 | 3.8   | 5.5   | 145                 |

Source: *Sovietskaia Sotsialisticheskaia Ekonomika*. Moscow, 1957. pp. 284-285. Source: *Statistical Summaries of the National Economy*, Peking, August 1958, p. 3.

One sees that the relative progress in China has been more rapid than in the USSR with respect to cast iron, steel, and cotton fabrics; that it has been of the same order with respect to coal; and that it has been slower with respect to electricity and chemical fertilizers. In 1957, total Chinese production was near the Soviet total of 1932 in the fields of iron and steel and chemical fertilizers, and ahead with regard to coal, electricity, and cotton fabrics. The per capita Chinese industrial production of 1957 is everywhere very much below the Soviet industrial production of 1932.

These figures indicate that, in spite of rather different specific rates of growth, the total Chinese and Soviet industrial rates have been very close to each other in the course of the first five-year plans of the two countries.

The great new fact of the year 1958 is the enormous acceleration of Chinese industrial growth which henceforth attains an extraordinary rhythm. This rhythm was moreover not foreseen last year when the preparations for the second five-year plan were being made, and the latter's targets will have to be revised in the sense of a considerable increase just as the targets of 1958 and 1959 had to be revised.

In comparison with the corresponding months of 1957, the increase of industrial production was of the order of 14 percent in January of 1958, 18 percent in February, 29 percent in March, 42 percent in April, 46 percent in May, and 55 percent in June. For the first half year of 1958 the average increase was of the order of 34 percent, and the figures of this summer indicate that the total for the year 1958 will be 50 percent over that of 1957. This advance by 50 percent in one year represents an unequalled rate for a country whose industrial production has reached the Chinese level and which has already previously been progressing regularly at a rapid rate. Everything now indicates that the foundations are being laid so that 1959 may witness an equally spectacular advance.

What is remarkable in the production figures I have just cited is that they mean that within one year Chinese production has been raised from a level lower than that of the USSR in 1932 to a level reached by the Soviet Union in 1936 with regard to electricity, and in steel not until after World War II. Chinese coal production for 1958 corresponds to that attained by the USSR in 1948-1949, and is close to British production for 1957. At the specified rates, Chinese coal and steel production will exceed that of Great Britain as early as 1959.

Of course per capita industrial production will still be very low in China, but what is important is that this country is progressing at an unequalled rate. China is doing in a few years' time what an industrialized country like Great Britain took decades to achieve and what even the Soviet planned economy accomplished over an appreciably longer period.

Before entering the field of explanations, we must also recall the results achieved by China with regard to agriculture.

### **Growth in Agriculture**

While the achievements of Chinese industry are striking enough, one can say that the results attained by Chinese agriculture outdo all that up till now has been considered possible.

In the course of the first Chinese five-year plan, agricultural production increased at an average annual rate of 4.5 percent. Such an average growth over a period of five years ranks among the highest, but remains within the limits of generally accepted "norms"; this is also true of the highest annual rate of growth of that period, namely, the 7.7 percent increase recorded in 1955 over 1954, a year which had itself seen a good harvest.

But in 1958 we come to a period which upsets all the norms that have been accepted up to now. This year, the total production of food grains is estimated at 300 or 350 million tons, which represents a 60 to 90 percent increase with regard to 1957.

Oil-seed crops also show surprising increases, with a peanut crop of 6 million tons (a 138 percent increase over 1957), a soya bean crop of 12.5 million tons (+25 percent), and a sesamum crop of 695,000 tons (+124 percent). As to the cotton crop, it is estimated at 3.5 million tons, a 113 percent increase over 1957.

The results that have thus been attained are of decisive importance for future economic development and for the present standard of living. As a matter of fact, this year's food-grain crop corresponds to a yearly per capita production of around 1,000 lbs. or 44 oz. a day. Thus China seems to be well on the way towards reaching the target which, in the month of June 1958, Mao Tse-tung considered to be attainable within one or two years, namely, that there should be available each year and for each person 1500 *jin* (1 *jin* = 1.1023 lbs.) of food grains, 100 *jin* of pork, 20 *jin* of vegetable oil, and 20 *jin* of seeded cotton. China is thus coming near to the food standards of economically developed countries at an extraordinarily rapid pace, and it seems that she is very soon to appear on the world market as a cereal exporting country.

### Social and Cultural Progress

The progress achieved by China in the course of the past few years is not only economic progress. The latter has been accompanied by progress in all the other fields; it has generated this progress in other fields and has been sustained by it.

In the field of education, the number of primary school pupils has increased from 24.4 million in 1949 to 51.1 million in 1952, 64.3 million in 1957, and 84 million in September 1958. Primary education is universal in about two-thirds of the 2000 districts that make up China and is very widespread in the rest. In almost one-

fourth of all districts illiteracy has been practically eliminated, and in the whole country more than 90 million adults are learning to read and write. One foresees that within a year or two illiteracy will practically have disappeared.

Secondary education has also been making rapid progress. In September 1958, there were nearly 10 million secondary school pupils (as against 1.3 million in 1949). As to the number of college and university students, it increased from 117,000 in 1949 to 444,000 in 1957, and since then this figure has been largely exceeded.

Progress is no less striking in the medical field. The number of hospital beds has increased from 80,000 in 1949 to nearly 295,000 in 1957. The total number of beds in all medical institutions in 1957 was 462,000.

What appears to me still more remarkable is the rapidity with which China is passing through the different stages of the transformation of social relations. From this point of view, the formation of "people's communes" constitutes a far-reaching development. It is known that the communes are created by the merger of several agricultural cooperatives and the local administration into one new unit. This merger must lead to a close coordination of agriculture, forestry, animal husbandry, etc., as well as of industry, commerce, and education.

In practice, a commune generally consists of about 2,000 peasant families, but it can consist of a much greater number of families: 6,000 or 7,000, and even exceptionally 10,000 to 20,000. However, these very big communes are not favored by the Chinese leaders, for it is difficult to administer them in a democratic way. In most cases the commune coincides with the basic administrative unit, viz, the canton or the township. For the time being, the administration of the commune is run by the popular council of the township. The communes can federate and constitute a single federation in each district or county. It is also within the framework of the commune that people who can carry arms are armed and organized into popular militias.

The creation of the commune is linked to the elimination of the last remains of private ownership of the means of production (individual plots and private animal husbandry), and initiates the gradual passage of collective (cooperative) ownership into social ownership (that of the whole people). It also initiates, first the gra-

dual forsaking of the mode of distribution based on the days of work in favor of remuneration according to a wage system, then the passage to distribution "according to needs." Some communes have already established a system of free food distribution founded on rules of distribution that take into account the number of family members regardless of the number who can work.

Each commune sets up a single development plan which covers all the agricultural, industrial, commercial, educational, sanitary, etc., activities. The communes create and run their primary and secondary schools, their nurseries and kindergartens, their canteens and shops, their hospitals and nursing homes. Some communes have already established even their own colleges and set up plans of village reconstruction. The preparation of the economic and social plan of the commune is taken up by a planning commission, but the final plan results from a thorough discussion in which all members take part; this plan of course is integrated into the national economic plan.

The movement to establish communes has been accelerated, so it seems, by the new problems that arise from rural industrial development. The agriculture cooperative became too narrow a framework for the setting up and running of industrial units. As the size of these industrial units is destined to increase rapidly, and as it is indispensable to coordinate their activities, the agricultural cooperative was bound to prove increasingly unsuitable as the agency for rural development.

Similarly, the framework of the agricultural cooperative was also somewhat narrow for many social institutions (secondary schools, hospitals, etc.). Moreover, the growing requirements for labor made it imperative that the greatest possible number of women be freed from domestic work; hence arose the necessity of establishing kindergartens, canteens, sewing centers etc., which are all more easily created within the wider framework of the communes. The latter have also been able to take over the development of recreational activities (basketball, badminton, table tennis, chess, theaters, singing, dancing, and so on).

The movement to establish communes started on an experimental basis in the very first months of 1958. The results attained showed the efficacy of this form of organization, and on the 29th of August last, a resolution passed by the Central Committee of the CCP (Chinese Communist Party) recognized that the establishment of people's communes was "the logical result of the march of events."



This resolution drew the broad outline of the organization of communes. The movement then became accelerated, and by October 90 percent of all peasant families had become members of communes.

It seems that the communes are destined to become the basic social units of Chinese society, and even, in the words of the resolution of the 29th of August 1958, "of communist society."

These are some of the facts that are known to those who follow the present evolution of China, facts the reality of which clearly appears to one who has not only seen the autumn crops ripen, but also is aware of the problems arising from the transport and storage of the huge spring and summer crops.

Yet there are no miracles, and there must be an explanation for these facts, however astonishing they may be. The explanation is certainly not going to be a simple one. I therefore do not expect to be able to give more than a partial survey of the main objective and subjective factors which, in my opinion, explain the present speed of China's economic progress.

#### Reasons for Rapid Development . . .

The foundation of the rapid growth of Chinese economy, a growth which is in striking contrast to the previous stagnation, is the direction given by the Chinese Communist Party to the economic development of the country and the quick succession of revolutions in property relations: land reform and extension of the nationalized sector, starting right at the beginning of the period after the proclamation of the Popular Republic; passage to cooperation in agriculture and artisan production; finally, in 1955-1956, general passage to socialist cooperation in agriculture and artisan production, and voluntary transformation of the approximately three million capitalist industrial and commercial enterprises into mixed enterprises that progressively pass into state enterprises. Thus, already in 1956, the socialist transformation of China was complete, and the contradictions of capitalist society and the obstacles they oppose to rapid and continuous economic growth had been eliminated.

However, these facts alone are not sufficient to explain how China achieved such an exceptionally rapid development, and, in particular, a development more rapid than that witnessed by the USSR when it was also at the beginning of its industrialization and which up till now had been the quickest development ever achieved by a big country.

Among the objective factors which seem to provide explanations for the rapidity of China's economic growth, there are in my opinion three that have played a decisive part: the aid of the Soviet Union and the Communist countries of Europe; the very abundance of the Chinese population, part of which was totally or partially unemployed in the past; and, lastly, the economic characteristics of the techniques that have been used.

### 1. Soviet Aid

To begin with, it is impossible not to consider as an important factor of China's rapid economic growth the very existence of the Soviet Union, that is to say, another socialist country which is at the same time the second industrial power in the world and the first industrial power of the Eurasian continent. The existence of the Soviet Union has meant the absence of any risks of aggression all along China's enormous western frontier, and has moreover contributed to protect China from other risks of external aggression.

This means that diversion of resources essential to the economic development of the country has been much less considerable than it was in the case of the Soviet Union which, at the beginning of its period of industrialization, was isolated and had to face alone the threats of foreign aggression, threats which became more ominous from 1933 onwards with the coming to power of Hitlerism. Sino-Soviet cooperation enabled China to arm her defensive forces at relatively little cost with the most modern weapons, and to set up on her own territory the factories which are necessary to equip her armed forces more and more by herself without having to resort to heavy imports which often press heavily on the balance of trade of underdeveloped countries, and prevent them from importing the industrial equipment they so urgently require. Further, the existence of the wide market represented by the Soviet Union and the Communist countries of Europe and the desire for cooperation shown by these countries have enabled China to develop her exports at an exceptionally rapid pace and, in return, to get the equipment which is essential to her economic development.

The importance of these facilities cannot be overestimated and will be readily recognized by those who know how difficult it is for underdeveloped countries to increase the volume of their exports, and also, even when they have means of payment at their disposal, how difficult it is for them to get the machinery required for their

industrialization. Capitalist countries do not willingly supply underdeveloped countries with equipment, and, very often, what they sell to them does not correspond to the latest techniques.

This ability to increase exports and imports according to requirements is precisely what has placed China in a situation fundamentally different from that of the USSR in the course of its first five-year plan. As a matter of fact, in 1932, in consequence of the world economic crisis, the exports of the USSR amounted to only about 73 percent of its exports in 1927-1928, being less than 29 percent of the value of exports envisaged for that year by its first five-year plan. China, on the contrary (despite the embargo which the United States and its allies have tried to impose on her) has been able to carry out fully the program of exports and imports as specified by her first five-year plan, so that in 1957 the volume of China's foreign trade exceeded by 60.3 percent the volume of 1952.

Thus, the existence of the USSR and the countries of Eastern Europe, with whom China has done about 75 percent of her trade in the course of the years 1953-1957, has placed China in a situation fundamentally different from the USSR at the beginning of its period of industrialization. This has certainly enabled China to lay the material foundations of exceptionally rapid growth.

Cooperation with the USSR is therefore of special importance. This cooperation has not only assumed a commercial aspect, but also a financial and technical aspect which allows us to talk of massive Soviet aid. This aid has played a considerable part by enabling China to reconstruct or construct a great number of enterprises which insure the production of essential machinery, raw materials, and fuel for her subsequent development. It is known that in virtue of the agreement reached between China and the USSR, the latter has committed itself to participate in the construction or reconstruction of 211 big enterprises.

It is obviously very difficult to estimate the relative importance of the contribution which the Soviet Union has thus given to China's basic development and its financial and technical influence on Chinese economy. However it is possible to specify the following: The production attained in 1957 in the enterprises set up with the help of the Soviet Union has been, in particular, 63 million tons of coal and 2.8 million tons of steel.

On the financial plane, the total amount of aid received by the Popular Republic of China was 2,174 million yuan (\$929 million)

before 1953, and 3,120 million yuan (\$1,333 million) from 1953 to 1957.

The financial aid previous to 1953 was mainly utilized for reconstruction, and the subsequent aid has essentially helped to fulfil the targets for the first five-year plan. A great part of that aid was used at the beginning of the first five-year plan. Therefore, on the 29th of June 1957, the Finance Minister Msien-Mien, from whose speech I have quoted the above figures, was able to declare that henceforth China's economic development could rest on her own accumulation.

It is not very easy to estimate the practical significance of the preceding figures. However, one can make some rather significant comparisons. Thus one can note that the financial aid of 3,120 million yuan obtained by China after 1952 represents about 6.3 per cent of the total amount of capital invested in the country during the first five-year plan. This brings out the magnitude of the internal effort for accumulation, as the latter has been able to meet at least 94 per cent of all capital investments.

It would, of course, be utterly wrong to draw the conclusion that Soviet financial help has played a negligible part in China's economic development. In fact, one of the main curbs to this development could have been the difficulty (and even impossibility) of importing against cash payment all the machinery necessary to fulfil the targets of the first five-year plan. One gets a fairer view of the importance of 3,120 million yuan contribution when comparing it with the total volume of Chinese imports in the course of the first five-year plan. This aid represents more than 12 per cent of the volume of imports during the period considered here (calculated on the basis of an apparently reasonable estimate of these imports). One would get a still higher percentage if one were to calculate the ratio of financial aid to the volume of machinery imports alone.

However, it is on the technical plane that Soviet aid has represented and still represents a particularly powerful accelerator to Chinese economic growth. Not only does this technical aid take the form of Russia selling to China the most modern capital goods she produces, which are often in the forefront of world technique; it also takes the form of Russia putting her immense technical experience at the disposal of China by passing on to her her patents and production licenses and by lending her engineers: about 7,000 Soviet experts have been working and are still working in China, helping

Chinese technicians and workers to benefit from their experience. Knowing how jealously capitalist countries guard their secrets, and at what prices big capitalist concerns sell the right to use their patents, one easily understands what a contribution to Chinese economic growth the technical aid of the USSR, as well as of the other Communist countries of Europe, represents.

## 2. Abundance of Manpower

The very numerical importance of the Chinese population, a large part of which did not participate or only participated a little in economic life, has also been an extremely important factor of growth. This is so, above all, in the field of agriculture and, in the first place, in respect of irrigation.

The irrigated area which amounted to 390 million mou (one mou=0.06 hectare=0.1647 acre) in 1949 was increased to 461 million mou in 1952, and to 606 million mou in 1957. The latter figure corresponds to 36 percent of the land under cultivation and to a 31.5 percent increase of the irrigated area over a period of five years. Such a result is already remarkable and partly explains the increase in agricultural production we have previously referred to. However, this result has now been largely surpassed; for, since the winter of 1957-1958, an additional 460 million mou have been brought under irrigation, which means that within eight months the labor of the Chinese people has increased the irrigated area by an amount equal to all the area that has benefited from irrigation works accomplished during several thousand years preceding 1952. At the present time (beginning of autumn 1958) over 60 percent of the land cultivated in China is irrigated, and this percentage is still increasing.

This is obviously one of the material bases of the extraordinary increase in agricultural production in 1958. Under the technical conditions still prevailing in most sectors of the Chinese economy, this result could only be attained through the labor of several hundred million men and women—that is to say, thanks to the very abundance of the Chinese population.

This population has thus become—as opposed to the assertion of those who consider a big population to be a “burden”—an enormous source of additional accumulation, because it devotes part of its labor not to the production of goods destined to be immediately consumed but to the increase of the productive potentiality of the country. “The financial equivalent” of this human potential is of course

enormous and enables the state to concentrate its resources on the development of big industries.

Some figures quoted from Liou Chao-li's report at the second session of the Eighth Chinese Communist Party Congress give an idea of what this financial equivalent represents. This report points out that, whereas the State had invested 1,450 million yuan in the harnessing of the river Huai necessitating 1,600 million cubic meters of earthwork in the course of the past eight years, the peasants of only two provinces (Honan and Anhwei) had achieved, with their own means and without the state's putting up any money, 12,000 million cubic meters of earthwork in six months' time.

It is also the abundance or, more accurately speaking, the density of the rural population with respect to the cultivated area, which, once irrigation had been secured, has made possible the remarkable crop increases of this latter period. The increase in output has been due almost entirely to the increase in yield per unit of land, and higher yield per unit of land has itself necessitated a considerable intensification of the labor spent on agricultural production.

Chinese agriculture was characterized even in the past by intensive utilization of agricultural labor, but in the course of the more recent period, the intensity of labor has been further increased in consequence of using new techniques of cultivation: e.g., much more close-set planting than before, deeper and repeated ploughing, numerous harrowings, and considerable application of fertilizers. In 1958 the average amount of fertilizers and manures of all sorts applied per mou of cultivated land was ten times the average amount for 1957. The collection, transport, and application of these fertilizers and manures also required an enormous amount of work which could not have been done except by a big population.

A similar rapid increase in agricultural production through the utilization of intensive methods of cultivation was barred to the Soviet Union, whose rural population was considerably (at least six times) less dense with respect to the area under cultivation. Consequently, at a time when labor was being rapidly drawn away from agriculture for the requirements of industrialization, the USSR could only increase its agricultural production through an effort at mechanization and modernization of agriculture, which created complex problems and could only be efficacious after a more or less long period. It is important to make four other remarks:

- (1) The rather general indications at our disposal lead us to

think that the amount of labor drawn away from Chinese agriculture was much less than in the course of the first five-year plan of the USSR. In fact, between 1952 and 1957 the number of industrial workers (ordinary workers and technicians) increased in China by 8.7 million people or by only 55 percent, whereas in the course of the first Soviet five-year plan, this increase amounted to 11 million people or 95 percent.

Still more significant are the following approximate percentages: these additional 8.7 million Chinese workers (certainly not all of whom came from the countryside, and whose numbers must be very much less than those of the people added to the Chinese working force between 1952 and 1957) corresponded to about 4 percent of the agricultural working population of 1952. On the other hand, the additional 11 million Soviet workers of the 1928-1932 period represented about 13 percent of the agricultural working population of the USSR in 1928. In other words, whereas in China industrialization has up to now left the human potential of agricultural production practically untouched (this potential was not even fully utilized in the past), Soviet industrialization in its initial stages gave rise to temporary difficulties about the supply of labor available for agricultural production.

If, in spite of a rate of growth in industrial production comparable to that of the Soviet Union, China has not had to transfer relatively as much labor as the USSR, it is in particular because the increase in industrial production in the course of the first five-year plan could be based, to a much larger extent than in the USSR, on an increase in the productivity of labor. In fact, the techniques which are now available, in particular thanks to mechanization and automation (applied on a large scale in the big new Chinese factories) make possible a much greater increase in productivity than the techniques which were available 30 years ago. I shall soon come back to this point.

(2) The existence of an abundant labor force does not of course in itself make high agricultural yields possible; there must also be favorable natural and social conditions. The former have always existed or have been created through a real transformation of nature achieved in the last few years. The latter have made their appearance, first with the land reforms, then with the development of socialist cooperatives (which could not have developed but for the previous land reform). The part played by the new social conditions that

have thus been created and which can only be played if the cooperative movement is based on the voluntary and even enthusiastic participation of the peasants, is fully confirmed by the increase in the number of work-days which the change in social conditions enables the peasants to spend productively.

In 1955, Professor René Dumont, a French specialist in agricultural economics, could still observe that the Chinese peasant (after the land reform but before the general drive to establish socialist cooperatives) was working in the fields for an average of 50 to 220 days according to region (he estimated a general Chinese average of 125 days). Now, the observations that my colleagues and I have been able to make show that the Chinese peasants work more than 300 days a year (many only take 2 to 4 days' rest a month).

(3) The considerable increase in the individual output of work has been psychologically possible only because the prevailing social conditions were such that the Chinese peasants were sure to benefit fully, either immediately or later on, by the increase in production due to their strenuous labor. In other words, the Chinese peasants feel sure that the increase in production will neither give rise to higher land rents (as there are no landlords left), nor to a price fall for their products (the State buys at fixed prices all the production they want to sell), nor to higher taxes (these are as a matter of fact fixed for several years and calculated on the basis of a "conventional product" which is lower than the actual product).

Moreover, the increase in output of work has been accompanied by a sufficiently large increase in current production and therefore of remuneration for work. This is due to the fact that the allocation of work (decided by the peasants themselves within their cooperatives) between what is productive in the long term, in the intermediate term, and in the short term has been done in a judicious way. It is also due to the fact that enough technical innovations have been introduced to increase appreciably the average output of a day's work.

It is of course impossible to illustrate in detail what has just been said. I shall therefore be content with giving an example bearing on the cooperative Wen Tchong situated to the southeast of Canton. This cooperative produces rice, pineapples, sugar cane, liches, and other fruits. In 1956 the average annual income of a family of this cooperative, which had then just recently been established, and which had only 9000 cultivated mou at its disposal, amounted to 314



yuan. In 1958 the provisional accounts envisage an average distributed income of about 1,000 yuan for each family. This result is obtained in particular thanks to the extension of irrigation which makes possible two crops of rice on part of the land (whereas in the past only one was obtained); to more close-set planting (60,000 rice plants per mou instead of 8,000 to 9,000), to the increase in the application of fertilizers, and so on.

The increase in the average family income has, therefore, in this case, amounted to 218 percent. According to the indications that have been given to us, about 52 percent of this increase is attributable to higher remuneration per work-day and the rest to an increase in the average number of work-days per worker.

The preceding remarks bring out the important part played, under new social conditions, by the abundance of manpower as a factor of rapid increase in agricultural production. However, from 1958 onwards, the abundance of manpower has also played a part in the unprecedented acceleration of the rate of growth of industrial production.

As I have recalled at the beginning of this article, the year 1958 is characterized by a new leap forward in industrial production. This leap forward can be partly explained by the fact that new big enterprises put under construction in the course of the first five-year plan have started production, as well as by the increasingly full and intensive utilization of previously created capacities of production, in particular those that have been installed in the course of the past two or three years (it is generally only after this lapse of time that new enterprises can work at full capacity).

However, this material basis of the new leap forward is not the only one, and besides it would not be sufficient to explain its absolutely exceptional magnitude. One gets a complete explanation only when one takes into account the substantial contribution made to the industrial production of 1958 by the astonishingly great number of small and medium enterprises which have been set up and which have started production this very year.

Whereas 1,185 big enterprises were under construction in the course of the first six months of 1958, another 300,000 industrial enterprises were being set up by local authorities, and over three million small enterprises and mines by peasant cooperatives.

The local authorities which set up these enterprises are mainly the counties and townships and sometimes state commercial organi-

zations or cooperatives which devote to that end what they can save by reducing to a minimum the expenditure corresponding to their previous activities. Units of production have also been set up by colleges and secondary schools, and they contribute both to production and to the technical education of the students. At the outset, all these enterprises work on the basis of very simple techniques, but they get gradually modernized and this rather quickly, in particular by re-investing the profits made on their current production.

Since then, the movement has assumed a still more extraordinary magnitude. For instance, so far as the iron and steel industry is concerned, it was first envisaged (in April 1958) that 13,000 small blast furnaces would be set up by the end of the year; in fact, 50,000 had been constructed by the end of July, 240,000 by the end of August, and 350,000 before the middle of September. In the province of Honan alone, between the 10th and the 15th of September, the number of small blast furnaces had gone up from less than 14,000 to over 45,000, thanks to the labor of 3,600,000 people; and production of cast iron had been increased from 3,362 tons a day to 18,694 tons (which corresponds to an annual cast iron output of 6,500,000 tons). The other provinces have set themselves the target to produce at least 20,000 tons a day. In September 1958, over 20 million people participated directly in the effort which was required to fulfil this target. It is on this basis that the output of 20 million tons of cast iron and 10 million tons of steel has been envisaged in the production plan (to secure this output, hundreds of small and medium converters have started production while others are under construction).

The expansion drive is developing on the same gigantic scale for the construction of small and medium coal mines, mines for iron-ore and non-ferrous minerals, small and medium power stations, and plants for producing fertilizers, chemical products, farm machinery, and so on.

What characterizes this aspect of the industrialization drive is the fact that it rests on an extremely simple technical base. Each of these small blast furnaces or enterprises can be constructed within a short time and requires a very small investment. There is, for example, a plant for the extraction of shale-oil which was built within three days and cost only 300 yuan. Its annual capacity amounts to only 100 tons of crude oil which is refined in a local refinery, but as over 10,000 plants of this type have been set up or are being set up besides 100 medium plants and 500 refineries, by the end of the

year a capacity of 1.2 million tons of crude oil, (four fifths of the Chinese output for 1957) will thereby have been created.

Not only are these small and medium enterprises constructed rapidly, it is also possible to construct them with the help of local labor and local materials: their construction therefore hardly absorbs any physical resources or any transport facilities likely to be utilized by big industries, which remain the fundamental base of industrialization.

Similarly, the financing of these small and medium enterprises does not absorb any central financial resources. The construction of these enterprises is exclusively financed with local means, and as they are all profitable, they rapidly become a source of additional income for the organizations and peasant cooperatives which have constructed them.

Besides, within the framework of peasant cooperatives, a great part of the investment is investment of labor, and those who contribute this labor are paid from the total output of the cooperative. Thus in one of the cooperatives that I visited in the region of Wuhan, the Cooperative Shu-Kuang, a small blast furnace of 3.5 cubic meters capable of producing 180 tons a year and employing 18 people (in three shifts) has been constructed. The construction of this blast furnace necessitated a financial outlay of 300 yuan (in particular for the purchase of refractory stones and bricks as well as a fan driven by a diesel engine) and required the labor of 12 people who were employed for 8 to 10 hours during 9 days. At the average rate of payment for an hour's work in this cooperative, this investment of labor corresponds to an outlay of 130 yuan. The blast furnace is fed with coal and ore from small mines which have been dug by the cooperative. This same cooperative has set up several workshops employing about one tenth of the manpower which is available. It has also constructed a small power station run by gas from dung. For the time being this power station feeds only productive installations, but the complete electrification of the village is envisaged.

It is obvious that but for an abundant labor force, the construction and running of millions of small enterprises and workshops throughout the country would be impossible. Thus in the field of industry as well as in the field of agriculture, the high rate of Chinese economic growth scored in 1958 is explained by the fact that China has at her disposal a big population and one which till lately was only partially employed.

### 3. Large-Scale Industry

However, if this population has ceased to be a mere potentiality of production and has become an effective force of production, this is explained by the transformation of economic and social conditions and, concretely, by the very development of big industries and the success achieved by agricultural cooperatives.

The rise of big state industries has enabled the central government to leave more financial resources at the disposal of local authorities, while the success achieved by agricultural cooperatives has handed over to them new resources which they have been able to devote advantageously to the creation of workshops, mines, and industrial enterprises.

On the other hand, the intensification of agricultural labor and the technical changes connected with this intensification have made it necessary to supply the cooperatives with new industrial products: agricultural implements, ploughs, wheelbarrows, chemical fertilizers, fuel, and the like. It would have been impossible for state industry, in spite of its rapid growth, to supply from big modern enterprises (which it takes several years to construct and which during that time absorb great quantities of cast iron and steel) all the industrial products required by agriculture.

Moreover, setting up at the present time of such big enterprises in a centralized manner would have been irrational. The state still has to concentrate its efforts on the development of basic industries and there cannot be any question of giving rise to additional requirements for transport and urban manpower, or aggravating the housing problem, which would result from the expansion of centralized industries. The requirements that have to be faced can be met, and this even more quickly, by small enterprises which can be run in a profitable manner within the villages by utilizing local manpower and resources.

The recourse to small industries was, therefore, imperative and possible for a country like China. It would have been impossible for the Soviet Union where it would have meant too much manpower being retained in the villages to participate in an industrialization yielding only a low productivity of labor when highly productive big industries had to be developed rapidly. On the other hand, under the conditions prevailing in China, the requirements for labor of highly productive big industries do not clash, at least not yet, with those of rural industries with low productivity.

It is interesting to see how the problem of industrialization has arisen concretely at the village level. I should like to give here the example of the Shu-Kuang agricultural cooperative which I mentioned earlier.

As the director of this cooperative explained, when the plan for 1958 was established (a plan which envisaged the construction of an irrigation canal from the nearby river, the improvement of 294 mou of land, the application of 42,000 tons of new earth and fertilizers), it was found that by working according to the old methods and with the old implements 220,000 work-days (including those necessary for cultivation) would be required, while only 162,000 would be available. Consequently, in order to fulfil the initially planned targets, it was indispensable to change the methods of work and even the organization of the cooperative.

Therefore it was decided, in particular, to utilize better agricultural implements than the traditional ones and to pass over to semi-mechanization through the creation of a farm machinery center which, for the time being, has at its disposal a tractor, a combined reaping and threshing machine, a husking machine, and five mobile diesel engines for working pumps. The utilization of the husking machine and of mills which are also mechanically run, has freed the women from part of their domestic chores and has increased the number of hours of work they can devote to cultivation. In a similar way, the cooperative has organized a transport center which has at its disposal two ten-ton boats, 28 small boats, 42 vehicles with rubber-tired wheels, and a great number of wheelbarrows, all of them equipped with locally produced ball bearings. All the old load-carrying work has thus been eliminated and labor freed for other tasks.

At the present stage of industrialization in China, it is precisely these modifications that have made it absolutely necessary to set up repair workshops and workshops for producing agricultural implements, ball bearings, and the like. One thus sees how the creation of an industry in the village and the necessity to meet the requirements of the village are connected with the effort to increase agricultural production.

What made these modifications possible is the fact that, if one takes the additional contribution of female labor into account, the reduction of the time spent on cultivation (thanks to new agricultural implements, semi-mechanization, and improved transport facilities) has more than compensated the increase in the amount of labor which

has to be devoted to the "industrial sector" of the cooperative, including the amount of labor "invested" in this sector.

There is every indication that the development of rural industrialization is only in its initial phase, and the Ministry for Agriculture therefore envisages that from 1959 a great number of agricultural cooperatives will have one third of their working population engaged in industrial activities.

What has to be stressed is the fact that under the conditions of full employment which have now been attained in the countryside, further economic progress will mainly have to rest on an increase in the productivity of labor both in the agricultural and in the industrial sector. So far as the agricultural sector is concerned, this calls for new improvements in agricultural implements, the extension of semi-mechanization and even the passage to mechanization (tractors, combined reaping and threshing machines, motor pumps, and so on). In the various cooperatives that I visited, this evolution is clearly under way and is accompanied by an increased utilization of mostly (but not always) locally generated electricity. In the industrial sector, this calls for the mechanization and modernization of small industrial enterprises which for the time being are using extremely simple techniques.

One has to add that the rapid increase in the requirements for industrial products and the increasing abundance of raw materials, both connected with the accelerated rise of the agricultural sector, have made the speedy increase of urban industrial production both necessary and possible. Here also, apart from a new effort at the level of big industries, the creation of numerous small workshops and plants has contributed to the rapid increase in industrial production.

This increase was also attained with the required rapidity by turning to account the abundance of population—this time of an already urban population—part of which could be freed from less important tasks thanks to a better organization of trade and administration. From among this population it has been possible to recruit new women workers, in particular housewives who can do part-time work. The increase in urban industrial employment in workshops and small plants, often running as subsidiaries of big units of production, has amounted to 930,000 people in the course of the first six months of the year 1958.

The increase in urban industrial employment will henceforth rest almost exclusively on the reserves of industrial employment of

town populations, and in the immediate future on the natural growth of the urban working population. The big demand for manpower that has arisen in the countryside in consequence of the intensification of agricultural work and of rural industrialization makes a wide recourse to labor of rural origin impossible. This is a new situation as compared with the one prevailing at the beginning of the first five-year plan, and it is radically different from the situation created by Soviet urban industrialization.

Rural industrialization appears here not only as a means of meeting the requirements for industrial products which are increasing at an accelerated pace, but also as an option meant to give a special appearance to Chinese economy, this type of industrialization being made possible by a rural density which is sufficiently big to secure a local market and enough labor for the enterprises that have been set up in the countryside.

The development of this type of industrialization gives rise to numerous technical and organizational problems. On the technical plane, present rural industries, despite their short-term advantages, have the disadvantage of a relatively low productivity of labor; they will therefore have to be technically reshaped and re-equipped (the same being true of small urban industrial enterprises) in order to be able to meet the demands which will again rapidly grow in the course of the next few years and which could be less and less satisfied by a rapid increase in industrial employment.

This re-equipment implies generalized mechanization and electrification: that is why great importance must be attached to the production of iron and steel, to engineering industries, and to industries producing electrical goods. On the plane of organization, this re-equipment implies progressive concentration of present small enterprises. It is probably in order to facilitate this concentration (and at the same time to serve wider objectives) that the movement to establish communes has taken shape in 1958.

In any case, what is equally important is the current process of creating millions of rural workshops and industrial enterprises, a process which is introducing a new technical spirit into the countryside and giving millions of peasants the opportunity of getting acquainted with industrial work. Materially and psychologically, these enterprises constitute a means of familiarizing people with the more and more modern enterprises which will gradually be established.

To conclude the discussion of the problem of industrial growth

and the part played by abundance of manpower in the rapidity of this progress, four further remarks have to be made:

(1) All the small industrial enterprises about which we have been talking are, as a rule, profitable enterprises. Consequently, far from reducing the accumulation fund, they contribute to increase it.

(2) Almost all these enterprises also contribute materially to productive accumulation in the sense that they essentially supply means of production. From these two points of view their existence constitutes a positive contribution to the increase not only of the short-term but also of the relatively long-term rate of growth.

(3) The creation of these enterprises does not divert any resources which might have been utilized by highly productive big industries. For example, they can turn to account local resources which could not be used otherwise (small blast furnaces can produce cast iron with second class coal whereas coke is required for big blast furnaces).

(4) The part played by big industries continues to be decisive. There is no question at all of sacrificing their development for the sake of small industries. Big industries must make decisive contributions to the cheap, large-scale production of cast iron, steel, heavy machinery, machine tools, electrical goods, chemical products, etc. For example, the big combines of Anshan, Paotow and Wuhan constitute the backbone of the Chinese iron and steel industry. The iron and steel combine of Wuhan (which our delegation visited), whose annual capacity is fixed at 3.5 million tons of steel, had started working, on the 13th of September 1958, a giant blast furnace which has, by itself, a capacity of 2,500 tons a day, surpassing the capacity of the biggest blast furnace of Western Europe. These plants run on the basis of the highest degree of automation and assure high quality production at a minimum cost.

Similarly, so far as heavy machinery is concerned, an enterprise like the heavy machine tool plant of Wuhan (which had been set up within 2½ years instead of the 4 years that had been envisaged) is indispensable for the production of big diameter (7m and 9m) vertical lathes, universal 5m wide and 20m long planing-machines, and all the machines necessary for the equipment of big ironworks, coal mines, iron mines, etc.

Rural industrialization should not therefore make us lose sight of the decisive part played by big industries. Moreover, once full employment has been attained, it is only possible to go on increasing



production at a high rate if one steps up rapidly the productivity of labor, which implies the utilization of the latest techniques. Now, these techniques can be utilized on a generalized scale only in enterprises turning out production on a big scale. That is why the Chinese government always gives priority to big industries. That is also why means will have to be found to merge and gradually transform present small enterprises into modern units of production giving high yields.

So far we have concentrated on the objective, material factors which explain the exceptional rapidity of Chinese economic growth. It is obvious, however, that these factors do not constitute by themselves a sufficient explanation. What China is achieving implies, as is brought out by the previous analysis, the effort of hundreds of millions of people: effort at invention, effort at production, effort at coordination and planning.

### Subjective Factors for Growth . . .

In a sense, the real problem consists in understanding how and why all these efforts have developed on the required scale, which is that of a whole people, and of the most numerous people in the world, how and why these efforts had the effectiveness indispensable for overcoming the infinite number of difficulties arising at every step of such a rapid and multiform development. The answer to these questions is obviously to be found in the domain of subjective factors.

The subjective factors are certainly very many, but it seems that one can group the most important under three essential headings:

- (1) The characteristics of the direction given to the country by the Chinese Communist Party.
- (2) The experience accumulated by the USSR and the popular democracies of Europe in the construction of socialism.
- (3) The national characteristics of the Chinese revolution and of the Chinese people.

I think that one must first of all recognize that the manner in which Chinese economy and society are developing presupposes an essentially energetic direction of all social forces, a direction which can be neither of a bureaucratic nor of an administrative nature, nor, still less, come in the shape of pressure from the police (as some people imagine). Such a growth implies great clearness of thought, a lucid vision of all the possibilities of development, of the manner

in which these possibilities are interconnected, of the effort which each and every one is prepared to make in order to transform these possibilities into reality. This development also implies that this lucid vision does not remain the privilege of some people who keep aloof from the masses, but on the contrary, is shared by the masses.

### 1. The Role of the Party

I had the profound impression that the Chinese Communist Party really constitutes, if the image may be used, the nervous and cerebral system of today's China. It is through it that the millions of bits of elementary information "rise" which, at every moment, make the estimation possible of alternative courses; it is within the Party that conclusions and a line of development emerge; it is also through the medium of the Party that the conclusions and ensuing directives make their way in a clear precise manner to the masses, who alone can transform a correct theoretical vision into effective practice.

This obviously does not mean that other political organizations, the various mass organizations, and, above all, the state machine with its different administrative, judicial, and economic bodies, and, as in other states, its apparatus of repression, do not play any part whatsoever. Just the contrary is true: these organisms and organizations are indispensable. They carry out tasks which are of fundamental importance but cannot be performed by the Chinese Communist Party which, if it were to assume them, would become bureaucratized. But it means that the most direct and effective connection between reality, thought, and action is above all assumed by the Party.

The extraordinary effectiveness of the direction given by the CCP is of course partly due to the personal ability of the men who lead it, but it is also due to the deep and intimate connection which exists not only between this Party and the industrial working masses, but also, and at least as much, with the peasant masses who make up the immense majority of the population.

This connection has not been improvised but historically built up in the course of a civil war which spread over decades, in the course of a struggle which was exceptionally hard and exceptionally long. This struggle has formed cadres who come from the people and have constantly maintained contact with the people. This struggle has really created and "tempered" the cadres who are animated with total devotion to the construction of a new society and who, as a

whole, place this construction far ahead of and above their personal needs and interests.

One fact which appears important to me is that these cadres have immediately, without any interruption, passed on to economic construction. Accustomed as they were to the requirements of military struggle in which initiative and discipline must dominate, and in which mutual trust between cadres and ordinary soldiers plays a decisive part, they have brought the same spirit of initiative, discipline, and intimate relationship with the masses into the struggle on the economic front. The peasant origin of a great part of the cadres of the CCP also explains the success achieved in the field of agriculture.

Another important point is that the great majority of the cadres of the CCP are not only political party workers but people who directly participate in production, economic organization, and technical progress. To be "at the same time red and an expert" is one of the obligations which the CCP enjoins on its party workers.

But what appears decisive to me is the constant effort made by the CCP to explain to the masses and to destroy the myths which curb their initiative, their enthusiasm and efforts. "Explaining" is one of the key words of the action of the CCP. One has to explain to the masses in order to make them go ahead with lucidity and discipline. In order to explain to the masses one has to speak the same language as they, one must have participated in their day-to-day experience and continue to participate in that experience, one must know how to listen to their suggestions and criticisms and even provoke them, one must not command but guide, that is, finally, let the masses themselves take the concrete decisions.

In the effort at explanation, the struggle against the myths inherited from the past occupies an important place. It is not useless to mention here some of the myths the criticism of which has played a decisive part in the acceleration of economic growth.

(1) The myth of unavoidable slowness.

Slowness of economic development was a reality in the China of yesterday, but the erroneous notion of its being necessary in a society which has eliminated all the objective obstacles to rapid development would have constituted a subjective obstacle to such development. The elimination of the myth of the unavoidable slowness of development, in particular the unavoidable slowness of agricultural progress, has brought forth the big leap forward in the year 1958.

The myth of unavoidable slowness was also based on the argument of the "tensions" which an accelerated development would provoke. The CCP has of course not denied that accelerated development entails great tension in the economic system (as well as in individuals); but in any case, tension was unavoidable: ". . . Would things be less tense," Liou Chao-chi asks, "if the speed of construction is slowed down? Everyone must know that a terrible and real tension would exist if over 600 million inhabitants were to live for a long time in poverty and without education."

(2) The myth of the necessity of aid given by the state and by experts.

The effort at rural industrial development has also been made possible because it has been possible to eliminate from the consciousness of the masses the wrong notion that any industrial development is necessarily something complex requiring the help of specialists and technicians, and which, in a socialist society, is almost exclusively the responsibility of the state, or will necessitate its direct participation or help.

Once these false notions are eliminated, once the masses are persuaded that it is wrong that industry and technique can only be the concern of the few, and once the masses understand that technique has nothing mysterious about it, one witnesses the extraordinary development of enterprises run by local authorities and cooperatives, one witnesses a real technical revolution coming from the masses themselves.

Of course, the initiative of the masses has been guided; inventors have been given the advice and help they were asking for and which they required; simple technical possibilities have been popularized; so were models of instruments and tools which can be easily produced, as well as drawings of simple plants which can be relatively easily constructed. It has also been possible to diffuse on a massive scale booklets and textbooks of mechanics, electricity, agronomy, geology, chemistry, etc., thanks to the fact that illiteracy has been already eliminated to a large extent. It is all these measures together which have made possible the rural industrial development and the technical revolution which form one of the foundations of the big leap forward.

(3) The myth of absolutely necessary balance.

It is true that a plan which did not provide for strict balance between production and consumption, between resources and disburse-

ments, would have no *raison d'être*. But it is erroneous to deduce from the necessity of this balance of provisions that everything must happen exactly as foreseen, and that it is necessary to restrict developments because they upset the balance.

The notion of balance at every step can become an obstacle slowing down economic development, and it is in this respect that the notion has been fought. It is especially dangerous to want to delay the development of a rising sector under the pretext that this rise might upset the balance of the economy. The only satisfactory solution from the point of view of growth consists in recovering the balance at a higher level by accelerating the development of the sectors which are relatively backward on account of the quick rise of one or several others.

Similarly, the Chinese leaders have firmly criticized the myth of "financial balance" attained at the cost of slowing down growth. Mao Tse-tung has repeatedly emphasized that "it is the economy which, in the end, determines the financial situation," and he added: "The conservative point of view which makes people blind to the development of the economy or neglect the search for new financial resources, but wants to overcome financial difficulties by reducing indispensable expenses cannot solve any problem."

To be sure, the denunciation of most of these myths which curb economic development is not a new thing, but what is important is the fact that this de-mythification drive could be brought to the remotest village. It is by sweeping aside all old prejudices throughout the country that it has been possible to liberate powerful productive forces and to give rise to an unprecedented creative effort which not only finds expression in work, but also in the countless popular poems evincing authentic enthusiasm.

## 2. The Experience of the Soviet Union

A second factor for rapid growth is the fact that China had at her disposal the lessons of the huge experience accumulated by the USSR and the popular democracies of Europe in their effort at economic construction. The experience gained by the Soviet Union in planning, in methods of drawing up plans, verifying their consistency, and supervising their execution has been widely used by Chinese leaders after adapting it to the specific requirements of their own economy.

In various fields, Chinese economic methods have been appre-

ciably different from Soviet methods. Thus price fixing methods, the ratio between agricultural prices and industrial prices, between prices of capital goods and prices of consumer goods of industrial origin, diverge quite considerably from the Soviet model. In particular, the ratio between agricultural prices and industrial prices has not at any time been unfavorable for agriculture as was the case in the USSR, entailing the negative consequences which have been recognized in the course of the last few years. Similarly, the ratio between the prices of industrial products coming from Departments I and II (capital goods and consumer goods) correspond much more to the ratio between cost prices than in the USSR, so that both sectors have equally contributed to the formation of the accumulation fund. The policy followed with respect to wages has also been different; the range between highest wages and lowest wages is smaller in China than in the USSR (the difference in objective conditions partly explains these differences in matters of price and wage policy).

The experience which the USSR and the popular democracies of Europe have accumulated with respect to economic organization, methods of management, accountancy and statistics have been similarly at China's disposal, and the latter has thus been able to avoid the countless groping attempts and the considerable waste of time and effort through which one has to advance, as well as the mistakes one is bound to make, if one does not base oneself on any previous experience.

### 3. The Special Character of the Chinese Revolution

Among the factors which explain the extraordinary rapidity of Chinese economic growth one must certainly mention the specific characteristics of the Chinese revolution.

The Chinese revolution, taking place in a country which was until then dominated by foreign imperialism and by bureaucratic feudalism and capitalism, brought to power in 1949 the coalition of the revolutionary classes—workers, peasants, and the national bourgeoisie. Its victory was, therefore, the victory of a “new democracy” revolution, as Mao Tse-tung puts it, and not that of a socialist revolution similar to the Soviet Revolution of October 1917. To be sure, according to the CCP's conception of uninterrupted revolution, the victory of the coalition of the revolutionary classes immediately opened the door for a new revolution, the socialist revolution, which involves the socialization of all means of production. But the change-over to

this second phase, which is now practically completed, has taken place by utilizing the positive forces of capitalist industry and trade and by encouraging their transformation into various forms of state capitalism.

This type of transformation has constituted an objective factor in the rapidity of Chinese economic growth, and it was possible under the historical conditions in which China was placed. Consequently, the phase of the socialist revolution was achieved without commotions and accompanied by an uninterrupted growth of the economy.

However, if this type of transformation has come into being as an objective factor in the course of the past years, it has even today subjective consequences, and that is why I am mentioning it here. These subjective consequences consist in the fact that the great majority of the cadres coming from the bourgeoisie, including capitalist industrialists and businessmen, are integrated in the socialist society and make it benefit by their knowledge and experience. There is certainly in this an element which is favorable to China's rapid economic growth insofar as these cadres have sincerely rallied to the new society and adhere to its ideology.

Lastly, the national characteristics of the Chinese people also explain the extraordinary rapidity of Chinese growth. The Chinese have always been a strong, brave, and hardworking nation. This nation has behind her a past of thousands of years of strenuous and meticulous labor. Chinese agricultural traditions are known all over the world, and it is understandable that remarkable success could be achieved by renewing these traditions. Also in craftsmanship and art, the Chinese people have rich and still lively traditions, even in the villages, and these traditions certainly constitute one of the solid foundations on which rural industry can be built up. The ability of the Chinese in the scientific and technical fields is well known; therefore the ease with which they have been able both to assimilate the latest developments in these fields and to make numerous original contributions to them does not surprise us.

But above all, the Chinese people have set out to construct a new society starting from an extreme degree of poverty resulting from imperialist and feudal exploitation, but without having been, as a whole, morally and intellectually contaminated by capitalism. That is why Mao Tse-tung could write:

Apart from other characteristics, our people of over 600 million souls is characterized by poverty and by a vacuity which

is like that of a sheet of blank paper. This may seem to be a bad thing, whereas in reality it is a good one. A poor people want to change, to work, and to make a revolution. Nothing is written on a sheet of paper which is still blank, but it lends itself admirably to receive the latest and most beautiful words and the latest and most beautiful pictures.

These are, it seems to me, the main factors which explain China's exceptionally rapid growth in the economic, social, and cultural fields.

But what I have said of course does not mean that this growth is taking place without effort, without difficulties, and without mistakes. The contrary is true: the effort is huge, the difficulties numerous, and the mistakes unavoidable. Some of these mistakes have no doubt delayed Chinese growth somewhat. Thus, the first five-year plan did not pay enough attention to the development of local, small, and medium industries; and it is only in the course of the past two years that this mistake has been rectified. Similarly, the targets of the first five-year plan for the industrial sector were in reality much too modest so that they had to be drastically changed in the course of the plan (this explains why industry overfulfilled its initial target by 21.4 percent, and the capital goods industry by 41 percent).

At the level of local and individual decisions, many mistakes have certainly been made, either because the principle of discussion has not always been respected, or because economic discipline has not always been maintained. Thus, for example, in 1956 too many workers were taken on by enterprises and the wage ceilings were exceeded, which created a certain tension in the consumer goods market. Yet it is obvious that the fact that Chinese economic growth is as rapid as it is, in spite of difficulties and mistakes, gives all the more significance to the results that have been achieved.

As to the results to come, it is impossible to foresee them if one does not have an intimate knowledge of all the data of Chinese economy and society. New difficulties will undoubtedly arise; the draining of the reserve of unemployed or underemployed labor will soon pose new problems. Similarly, decentralization, which the Chinese government seems to be bent on pushing very far, will call for original solutions in the fields of planning and supervision. However, if the recent past and the present indicate the future, it seems to me that one can expect future results to be in keeping with what People's China has already achieved during the nine years of its existence.



## CHINESE AGRICULTURE

BY RENE DUMONT

Back from China in January, 1956, I discussed in *Le Monde* and later in my book (*Révolution dans les Campagnes Chinoises*, Editions du Seuil, 1957) what appeared to be the chief trends in the development of Chinese agriculture. Some people criticized me for my optimism which they attributed to too easy an acceptance of propaganda. What is the situation in the autumn of 1958?

Agricultural production increased by about 4 per cent in 1956 and as much again in 1957, compared with previous years, and a further increase of 6 percent was expected for 1958. Now the first published results, which are confirmed orally by Henri Denis and Charles Bettelheim, just recently back from China, upset all these data. Instead of 185 million tons of basic foodstuffs . . . as in 1957, the 1958 crop is estimated today at between 300 and 350 million tons. Raw cotton should reach 3.5 million tons, that is to say, double the 1957 figure. Until last year there was an acute shortage of fats in China. Soya, at 12.5 million tons, shows an increase of "only" 25 percent, but peanuts, at 6 million tons, have risen by 124 percent; the latter's oil content is more than double that of soya. At 40 million tons, wheat shows an increase of 70 percent, outstripping the United States for the first time and closely approaching the Soviet Union. Semi-late rice, at 56.5 million tons, increased by "only" 40 percent. The late rice crop cannot yet be known as the harvest ends in December, which explains the above lack of precision.

An increase of 60 to 90 percent in the harvest in one year, for a "continent" the size of China, is a phenomenon absolutely without precedent in the world's agricultural history. The vagaries of climate cannot provide an adequate explanation, since the succession of good and bad harvests from 1950 to 1957 was never responsible for a fluctuation of more than 6 percent. The monsoon does not have the same effects in China as in India, where global oscillations in output are much more important, because irregularity in rainfall can affect almost the whole country.

In the four years between 1940 and 1944, when output in the

United States was expanding most rapidly, American agricultural production increased by about 40 percent. This result was obtained by making full use, first, of all the productive potentiality of the land which had been allowed to lie fallow; second, of under-utilized tractors; and third, of fertilizer factories which had been working at 50 percent of capacity. China has designed 120 prototypes of tractors but so far is making very few. As yet the capacity of her fertilizer factories is only comparable with that of the Balkan countries.

How was this increase of 60 to 90 percent attained? In 1949 China had 53 million acres of irrigated land, already an enormous task of organization spread over more than two thousand years. In 1955-1956, the irrigated area had risen to 66 million acres and then increased in the course of one year by 19.7 million acres, a phenomenon also without precedent. In the campaign of 1957-1958 alone, the area under irrigation is reported to have been further extended by over 74.1 million acres. Thus, more was achieved in 15 or 18 months than had previously been achieved in two thousand years. This increase was more than double the 34.6 million acres it had taken over a century to irrigate in the United States which had much greater mechanical power than China at its disposal. It would appear that 56 percent or 160.5 million acres of the 286.5 million acres now under cultivation are in fact irrigated. Of the remaining 123 million acres 40 percent or 49.4 million acres of especially difficult land should be irrigated within the next three years at the latest. The exact meaning of an "irrigated" acre is not altogether clear. Surely it cannot yet mean complete mastery of water everywhere! But unquestionably irrigation is the *decisive factor* without which it would be impossible to explain such a rapid increase in output.

Irrigation raises yields and makes them more regular; it also makes annual double cropping possible, thereby increasing both employment and the size of the harvest. The use of fertilizers was apparently the second factor contributing to the huge 1958 harvest. Since the chemical industry does not yet have a wide base, recourse was had to all possible sources of natural and organic fertilizer: dead leaves, green manure, refuse, night soil, plant and fish waste, and above all mud taken from ditches and canals, small lakes, and ponds, and rich clay carried on men's backs from the main river beds, the extensive use of which I had already emphasized in 1955. The average dosage of fertilizer per hectare is reported to have reached 130 to 150 tons or ten times more than last year. My notes

show that in the year 1955 the Chinese peasant worked between 50 and 220 days in the fields according to the region, or an average of perhaps 125 days. In many parts of the country, he now works more than 300 days; the slogan of China in 1958 is shortage of manpower, and in the country there are only two days' rest a month. Owing to excessive authoritarianism and too low prices, the USSR until 1953, and the Peoples' Democracies up to this day, failed to a large extent in their agricultural policy. The reaction of the Chinese peasants confronted by the massive collectivization of the winter of 1955-1956 has so far been an enigma. Without the active and voluntary participation of the majority, the mountains would not have been terraced nor would the terraces have been held in place by gravel, nor would the gravel have been humped, basket by basket, from the river beds. It is my impression that the Chinese Party has succeeded in marrying its authority to the peasants' consent after due deliberation, a consent obtained by protracted "explanations."

China now has at her disposal about *half a ton of grain per head* compared to 627 lbs. in 1957. She has thus gone beyond Europe in grain but remains far behind as far as animal products are concerned. Has she really gone so far? According to the *Peking Review* of September 30th, at a reception of the leaders of the Yinju Cooperative last June, Chairman Mao, taking account of the promising harvest, fixed as targets for 1959 or 1960: 1650 lbs. of grain (basic foodstuffs), 110 lbs. of pork, 22 lbs. of vegetable oil and 22 lbs. of cotton fiber per head. And this will be only a beginning, he added. This would put China, in a year or two, at a nutritional level midway between that of Western and Eastern Europe, soon catching up to the Soviet Union in this field.

The repercussions of such a rapid development are extraordinary. The small country blast furnaces produce iron, cast iron, and steel with much labor, but they need much less iron for their construction than the big blast furnaces which, as the USSR learned, themselves consume a high percentage of their production for too many years in the initial phase of economic development. At the beginning of 1958 it was proposed to build 13,000 blast furnaces during the course of the year. At the end of July there were already 45,000, producing 3,300 tons of iron per day; there were 350,000 on September 10th, when *twenty million countrymen and women* were employed directly in the iron and steel industry. Thus, the production of iron and steel should rise from 5.3 million tons in 1957 to

10.7 million tons in 1958; and 20 million tons, or more than France's output, are already projected for 1959. As in agriculture, so in industry all planned targets are upset month by month in China today.

Robert Guillain (*Le Monde* of September 27th, 1958) explained how the collective farm had given way to the people's commune, which frees the countrywomen from housework and from looking after children, and releases them on a vast scale for productive work. Within this framework, education at all levels can also develop widely. The sight of a rural school in front of which, during school hours, one can see draught animals, carts, wagons, and hoes belonging to the peasant scholars, who also do their day's work and will take up their tools as they leave, strikes me as particularly moving, even if in this school political indoctrination is not forgotten. If we do not look out, Chinese peasants' cultural level may well outstrip ours in less than a generation.

On the international field, the repercussions are not less important. The recent weakness of the world grain market intensifies the fear of massive exports. The world produces fewer than one million tractors a year, but in order to be completely mechanized, China would need 5 million. She has just lent Ceylon 50 million rupees, in the form of equipment and goods, for 4 years at 2.5 percent interest.

The problem of underdeveloped countries needs a complete rethinking. The "external" aid that we [in France] generously gave, within the framework of the Fides and other development funds, to our former overseas territories which are today provisional members of the Community, was not such as to enable them to make substantial progress. Since 1952, I have continued to stress that the investment of labor was the most important source of saving for all the underdeveloped countries which obviously have inadequate financial resources. The Chinese harvest of 1958 — the greatest event of this year, as the sputnik was of 1957 — is an irrefutable proof of this principle. This high rate of investment of labor was facilitated by the framework of cooperatives which do not pay wages, but whose members receive remuneration based on the number of "work-days," which are proportionate to the crop harvested. This system worked only because the "work-days" yielded an immediate return in most cases. With the transition from the cooperative to the people's commune, which now owns the land and all the means of production, the small plots having been abolished, wage payments have returned and under these conditions now will make possible a vast increase

in output. This wage system will facilitate a new rise of the rate of investment. Since Tibor Mende estimated the 1957 rate of investment at 18 percent in China and 8 percent in India, the gap may well become wider and the village community centers in India must redouble their efforts to increase production rapidly. The richest people's communes are already contemplating the introduction of "free rice"; this is a step towards communism that even the USSR has not yet envisaged.

Certain laws of agricultural economics also need reappraisal. A number of Chinese cooperatives are said to have doubled their number of working days and more than doubled their output in a year, pushing back much further than we thought possible the threshold of the well known economic law of diminishing returns. Under the Italian agrarian reform, output could often only be doubled by quadrupling the amount of labor per hectare. About three years ago, I underlined the *importance of the challenge posed to the West by the transformation of Chinese agriculture*. However, I was very far from appreciating the scale of this transformation, for I was not yet sure that it would be possible or China to achieve her Twelve Year Plan, 1956-1967, which aimed at raising agricultural production 2½ times in this period. The actual rate of growth is already faster than that projected in the Twelve Year Plan and is proceeding in an atmosphere of "uninterrupted revolution" which has never experienced a retreat towards any kind of NEP.

Of course, I cannot hold myself personally responsible for the absolute accuracy of all these figures, though they are official. At the same time, the amount of information collected is sufficiently consistent for me to assert on my own responsibility that what is happening in China is the most impressive agricultural advance in world history.

## TURNING LABOR INTO CAPITAL

BY K. S. GILL

The fields where capital formation has been sharply stepped up, mainly through investment of surplus labor, are: small irrigation and flood control, afforestation and soil conservation, land reclamation and farming, and small power and industry. The achievement in each field is outlined below.

[The material on irrigation, which largely duplicates data summarized in René Dumont's article above, is omitted here. — Ed.]

By the end of May, 1958, 51.4 million acres had been afforested. This was 160 percent of the total acreage afforested in the previous eight years of the new regime. In addition, during this period, nearly 20,000 million saplings were planted near houses, around villages and along roads and river banks. Indeed, no nation has ever gone turning its country green in the way the Chinese have done this spring. It had been planned to expand the present forest area of 250 million acres to 500 million acres by 1967 with a view to raising it to 20 percent of the land surface of the country. In the light of the experience of afforestation this spring, the program is likely to be fulfilled in less than five years.

Capital formation in agriculture through investment mainly of surplus labor has been accelerated also in such traditional ways as leveling the ground, improving the soil, clearing swamps, developing mountain areas, and reclaiming land. Since the beginning of this year, this process has spread in a really big way to a new field, namely, technical reconstruction of agriculture, in the first instance, by equipping it with semi-mechanized and improved tools. The mounting tool-innovation campaign is, indeed, a budding technical revolution in Chinese agriculture. The improved tools are mostly fashioned by artisans and peasants out of locally available materials. They have opened out a vast new field for investment of surplus labor.

Surplus labor is also finding investment in the development of animal husbandry. Recently great emphasis is being laid on additions to livestock. The number of pigs, for instance, rose from about

146 million in December, 1957, to 164 million by the end of March, 1958. By December, 1958, the number is expected to rise to about 200 million, or by 37 percent, compared to the figure for December last.

Lately, small power has opened out an extensive new field for investing the surplus labor of peasants and rural artisans. At the end of 1957, the capacity of small rural hydroelectric stations stood at just 20,000 kw. and in the current year alone 900,000 kw. of such capacity are to be added. This compares with the total addition of 1.3 million kw. to installed capacity in India under the First Plan. In addition, small electric and mechanical power stations worked by small steam and internal combustion engines, and even by wind power, are being set up, primarily to process farm produce. All these stations have been set up mostly by the investment of local labor and by the use of materials and equipment produced locally out of local materials.

Finally, local industry has provided another vast field for capital formation by investment of surplus labor. Emphasis on the expansion of such industry is a major recent trend in China's economic development. To speed up industrialization in accordance with the guiding principle — to build more, faster, better, and economically — accepted recently, it has been decided to establish industries not only in cities but also in small towns and rural areas, coordinating small and medium industries with big ones in a nationwide network. The central government is responsible for developing big industrial units while local authorities and cooperatives look after small ones.

In China local industry refers not to antiquated handicrafts but to small and medium *modern* industries. It does not mean the Charkha and the handloom, nor the hand-pounding of rice and the ghani-crushing of oil-seeds, but small coal and other mines, blast furnaces, nonferrous metal smelters, chemical and granular fertilizer plants, units for the processing of agricultural produce, animal products, and wild plants, workshops producing and repairing farm and other machinery, semi-mechanized and improved tools, plants for producing cement and other construction materials, coal carbonization plants, petroleum and shale oil refineries, shipyards producing small steam and other types of boats, printing shops, etc. Local industry is meant, in the first place, to serve agriculture and facilitate the development of large-scale industry, and secondly, to satisfy the needs of the people.

Indicative of the immense scope for capital formation created by this new trend is the expectation that in a few years the total output value of local industries in the country will surpass that of farming. A 37-percent increase in output is expected in the current year alone. Very recently, the "big leap forward" in agriculture has called forth a corresponding "big leap forward" in local industry.

Within the first five months of this year, more than 520,000 industrial enterprises under local authorities are reported to have been completed and switched to production. This does not include industrial enterprises run by cooperatives or the *hsiang* authorities. It is now planned to build within a year more than 10,000 small blast furnaces with a total annual capacity of 20 million tons of pig iron. This is about 10 times the Indian output of pig iron in 1957.

Within a year, 200 medium and small Bessemer converters with a gross annual capacity of 10 million tons of steel are proposed to be built. Their capacity is about twice India's expected steel output by the end of the Second Plan. A number of small steel-rolling mills are to be built. Three thousand small copper smelting furnaces, with a total capacity of over 150,000 tons of crude copper (about 25 times India's current output), are to be set up within a year. The development of local coal pits has also been greatly stepped up. In the current year new local pits with a capacity of 38 million tons are to be opened, as against 4 million tons of such capacity created last year. Indeed, it is to a considerable extent on this account that coal output is expected to jump from less than 130 million tons in 1957 to 180 million tons in 1958, and 240 million tons in 1959. China's annual *increase* in output exceeds India's *total* output (42 million tons in 1957) by a wide margin. Next year China's coal output would be the third largest in the world, exceeding that of even Britain and West Germany.

Surplus manpower has been the main input in the establishment of local enterprises and the fabrication of equipment for them. Moreover, since a considerable proportion of these enterprises produce capital goods (metals, tools, machinery, etc.) the surplus labor that finds employment in running them also contributes to capital formation.

Utilization of surplus labor has contributed to the growth of investment in such fields as large-scale industry and mining, major irrigation, power and flood control, modern transport and communications, administrative, commercial, cultural, and residential



buildings, and urban public utilities. Construction almost always accounts for well over 50 percent of the total capital formation. Indeed, in the initial stages of economic development, it accounts for about two-thirds of the total investment. It did so, for instance, in the United States (W. A. Lewis, *Theory of Economic Growth*, 1955) and the USSR (Central Statistical Board of the USSR, *National Economy of the USSR*, 1957). The fact that construction makes up about two-thirds of the total capital formation and that it is very amenable to labor intensive methods, has enabled the Chinese government to step up public investment by drawing on surplus manpower. State investment in capital construction has expanded from 3,711 million yuan in 1952 to 11,905 million yuan in 1957. The budget estimates for 1958 have put the figure at 13,838 million yuan, but the actual amount is expected to be considerably larger because the great improvement in state revenues, resulting from the "big leap forward," makes it possible to increase the allocation for the purpose.

China has been able to tap surplus manpower for capital formation so successfully because of the socialization of her economy, basically completed by the spring of 1957 through the cooperativization of peasant agriculture, handicrafts, and a part of trade, and the transformation of industry and the rest of trade into public enterprise. This has pulled down major barriers to the investment of surplus labor.

In a densely populated underdeveloped country, surplus manpower exists, first and foremost, in the heavily overcrowded agricultural sector. The nature of this surplus has been a moot point among economists. Some identify it essentially as disguised unemployment, others as seasonal unemployment. The latter view appears to be nearer the truth. In a country like India today or China till very recently, where farming is mostly individual and small-scale, the manpower surplus exists mostly as seasonal unemployment of self-employed cultivators and attached agricultural workers.

Disguised unemployment seems to be less important, for it is doubtful if, given the existing technique (the essence of which is individual, small-scale farming), a large percentage of the working population could be removed from agriculture without an adverse effect on the total farm output. The proportion of the agricultural working population unemployed or underemployed at peak seasons is rather small. Widespread unemployment and underemployment,

largely the latter, occur mostly during slack seasons. Realization of the savings potential under discussion is thus, first and foremost, a problem of investing the vast amount of labor rendered surplus by the seasonal ebb in agricultural activity. Disguised unemployment in agriculture as a potential source of capital formation is of rather secondary importance.

As long as manpower surplus emerges mostly as seasonal under-employment of the agricultural working population, the scope for its investment is very limited. When the seasonal ebb in activity does not mean that fewer men are working, releasing others for capital formation, but only that most of them, being tied to their farms (looking after the cattle and the crops), work fewer daily hours each, the manpower surplus emerges in a form that does not admit of its full or even substantial investment in capital formation. Cooperativization has enabled China to overcome this hurdle. In the slack season, farming operations as such are now attended to not by all farmers, each putting in fewer hours, but by fewer farmers, each continuing to work full time. The labor of the rest is released for capital formation.

To release surplus manpower for capital formation, seasonal *under*-employment in farming proper has to be converted into seasonal *un*-employment. That, in turn, requires that farming should be transformed from small-scale unorganized activity into large-scale organized enterprise. In China, this has been done through the cooperativization of agriculture. In India where small-scale, individual farming continues to be the rule, there remains an effective barrier to the investment of surplus manpower.

Cooperativization has helped China overcome another major hurdle. When idle manpower is availed of to step up capital formation, unless it is unpaid labor, there arises the problem of matching additional investment outlay by additional saving. The persons thus employed, being from the low-income groups, are likely to save but very little of their additional income. The additional saving must, therefore, occur elsewhere. To the extent the problem is sought to be solved through additional net inflow of funds from abroad, the additional saving is effected outside the economy, but to the extent of the balance of the amount, the saving has to occur within the rest of the domestic economy. The persons newly employed in capital formation earn extra income equal to their wages. Their marginal propensity to consume being high, the extra income would go

largely into consumption. The additional consumption must be met either through additional imports of consumer goods financed by additional net inflow of funds from abroad or through the fructification of additional investment or through measures (mainly inflation and taxation) designed to depress or restrain consumption over the rest of the economy.

The need, in the absence of additional net inflow of funds from abroad, to induce or force extra domestic saving to match the additional investment outlay constitutes an additional barrier to the investment of surplus manpower. Development economics has been acutely conscious of this in recent years. In China, however, cooperativization has overcome this barrier as well. The cooperatives have invested the surplus labor of their members mostly on their own (farms') account. Members working on irrigation, afforestation, reclamation, soil improvement projects, etc., undertaken by the farm, are paid, as in the case of farming operations proper, by having work-days credited to them. The labor invested by members in capital formation is thus paid for by restraining the return on labor devoted to farming proper. This means that the cooperators themselves collectively save the amount which they receive as remuneration for labor invested in capital formation. Indeed, cooperatives in China have been saving more than that. For outlay on equipment, construction materials, etc., required for capital formation, has been met increasingly from the reserve funds of cooperatives.

The increase in cooperative saving to match cooperative investment occurs along with an increase of the cooperators' consumption. The farmers have for their consumption the net disposable output of the farm less the part that is credited to reserve. Most of the cooperative investment being such as bears fruit within the same crop year (minor irrigation, soil improvement, etc.), there is an increase in the net farm output. This is particularly so if, induced by capital investment or otherwise, idle manpower is also drawn into farming proper and there is an all-around increase in efficiency through organizational and technical measures. In China, for instance, the massive investment in labor last winter in irrigation works, flood control, soil improvement, etc., has induced a similar intensification of effort this year in the collection of manure, seed selection, ploughing, sowing, hoeing, weeding, etc. By the end of April enough of the fertilizers of all kinds had been collected to average 54 tons an acre, which is three times (in terms of plant nutrients) the amount accu-

mulated in 1956. As a result this year the rice acreage is expected to expand by 18.53 million acres, maize acreage by 3.88 million acres, and potato and sweet potato by 10.78 million acres. Naturally a "big leap forward" in agricultural output is anticipated. A part of the increase in output will be absorbed in additional allocation to the cooperative reserve and the rest would go to swell the disposable personal incomes of farmers. The system under which farmers receive payment for the labor invested in capital formation by having work-days credited to them would depress only the cash and kind payment per work-day unit. The total payment per person during the year would increase on account of the members earning many more work-days than previously. The farmers' consumption would thus increase along with cooperative saving.

Cooperative investment, financed by cooperative saving, being the chief means of tapping surplus labor as a source of capital, steps have been taken to extend its scope. Farm cooperatives are now being encouraged to invest in small industry, provision of educational, public health, and cultural facilities, improved and semi-mechanized equipment, and livestock. Large-scale investment in housing may be expected to begin soon. To enable the cooperatives to save enough to meet the cost also of the equipment and materials required for capital formation, the absolute amount of the agricultural tax has been fixed for the next five years at the 1958 level. This, together with the 61 percent increase in agricultural output envisaged during the Second Plan period (1958-1962), would enable the cooperatives to allocate larger amounts to reserves. To the same end, ceilings on the percentage of cooperatives' income required to be allocated to reserves have been raised or altogether eliminated recently.

Cooperativization of agriculture has enabled China to overcome other important hurdles in the way of the investment of surplus manpower. Previously the building of minor irrigation works, afforestation, reclamation, soil improvement, etc., were often impeded because these were beyond the scope of individual effort, resource, and field of operation. Jealously guarded property rights in individual plots of land and lack of interest in improvements that would benefit mostly someone else's land and crops, also very often worked in the same direction. Cooperativization has radically transformed the situation in these respects.

Cooperativization of handicrafts, undertaken as part of the socialist transformation of the economy, has, like the cooperativization

of agriculture, created an institutional framework capable of tapping surplus manpower in this sector for capital formation both within the sector and elsewhere in the economy. The expanding demand for handicraft-produced farm tools and other equipment and consumer goods has further stimulated such capital formation. Socialization of trade (through substitution of state and cooperative trading for private trading) has enabled it to be carried on with fewer men. The rest of them, representing previously existing disguised unemployment, have been released for production and capital formation.

While the expansion of cooperative investment has tapped the savings potential represented by seasonal unemployment, the much larger expansion (in value terms) of state investment in capital construction has increasingly tapped the potential represented by outright and disguised unemployment. This, too, has been made possible by the socialization of the economy. Rapid expansion of public investment has not been thwarted by the inflationary barrier because the socialization of the economy has made it possible to finance such investment mainly through saving rather than credit creation, or, as the term goes in India, deficit financing.

The creation and rapid expansion of the public sector, embracing not merely overheads but also highly profitable enterprise like external and internal trade and manufacturing industry, together with its growing efficiency and a suitable wage policy (under which the ratio of wages to net value added has been kept at about 1:2) has greatly and continuously increased public revenues by swelling the profits of public enterprise. The end to tax evasion (the bane of all underdeveloped countries), also made possible by the socialization of the economy, together with rapid expansion of economic activity, has also added to public revenues by swelling the yield of taxes on industry and trade. At the same time, socialization of defense and administration has enabled repeated cuts in current administrative expenditure.\* The net result of all these developments has been cumulated expansion of public saving, making it possible to achieve a corresponding expansion of public investment without resort to excessive credit creation. The socialization of the economy has also been helpful in that property rights in land no longer impede capital construction projects.

\* The expenditure on defense and civil administration declined from 8,654 million yuan in 1953 to 7,000 million in the 1958 budget estimates. This is in marked contrast to the trend in India.

Apart from that, it has assisted the realization of the savings potential, represented by surplus manpower, by creating an institutional framework that is consonant with such realization not only economically but psychologically. The new environment has made possible an effective campaign against "white collarism" which in a class society often prevents investment of the surplus labor of the entire population. At the same time, the vision of a China leaping forward to the front rank of nations has fired the imagination of the people. In the new socialist society, the 600 million Chinese people are thus not only enabled but also inspired to strive their utmost for national construction. There is every chance that in less than 10 years, China will be the third country in the matter of industrial output and the first in agricultural output.

In an underdeveloped country, genuine socialist transformation of the economy thus emerges even more as an instrument of accelerated economic growth than of social equality. It appears to be about the only way in which the full weight of surplus manpower can be thrown into capital formation and other spheres of national construction.

## THE CHINESE COMMUNES

BY LEO HUBERMAN and PAUL M. SWEEZY

Nineteen fifty-eight was the year of China's "big leap forward." For a long time the American press, prevented by Mr. Dulles from sending its own reporters to China, seems to have been unaware that anything of special importance was happening in that part of the world. But more recently there has been a sharp awakening. It is now widely recognized that successes approaching the fantastic were achieved during 1958, and the pundits and editors have been rushing into print with explanations and interpretations.

A sampling of this literature reveals a high degree of uniformity in the reactions and views of American commentators. China's economic achievements are generally conceded—though occasionally one runs into a note of skepticism reminiscent of the way reports of early Soviet economic successes were received—and they are explained by one variant or another of what may be called the "slave labor" theory. The Chinese Communist Party, according to this theory, has herded the half-billion strong Chinese peasantry into great work camps called communes and there has dragooned them into an all-out effort involving what Joseph C. Harsch, the usually sober foreign correspondent of the *Christian Science Monitor*, calls "the greatest mass sacrifice of human heritage, human comfort, and human effort in all time." (*Christian Science Monitor*, December 24, 1958.)

How are the communes supposed to achieve their impressive results? The following would seem to be a fair summary of the answers which these American commentators give to this key question: By uprooting the traditional family pattern and instituting collective institutions for dining, housekeeping, care of young children and old people, and so on, an enormous womanpower force has been made available for agricultural and industrial labor. Stanley Rich, ABC correspondent in Hong Kong, estimates that 100 million women have thus been added to the labor force ("Mao's 'Big Family': The Communes in Communist China," *New Republic*,

January 5, 1959). But this is not enough: both the men and the women must be made to work longer and harder. This is accomplished by various forms of pressure from the Party; by scaring the Chinese people with imaginary threats of United States aggression; but most of all by setting the norm for the work-month at 28 days and withholding wages from anyone who fails to meet it—in other words by a work-or-starve policy. In Mr. Harsch's vivid terminology, the destruction of the old pattern of family life involves the mass sacrifice of human heritage, the collective living arrangements the sacrifice of human comfort, and the lengthened work-month the sacrifice of human effort. By this reckoning, the cost of China's "leap forward" is already fearsome beyond calculation and may sooner or later be extended to include total disaster. "The men of Peking," writes Mr. Harsch, "must have been aware when they committed themselves to this program that they were gambling heavily, more heavily by far than Stalin ever did. The Chinese people are long-suffering, but there are limits to even their endurance."

How much truth is there in this grim picture? Some, of course. There is no doubt that the decisive factors in China's economic successes have been the mobilization and application of a much larger effective labor force than formerly. But beyond this the picture seems to be so distorted and fanciful as to be totally false in the impression it conveys. Let us try to see the matter in a somewhat more accurate and realistic focus.

In the first place, the evidence seems to us convincing that the commune movement, unlike the collectivization drive in the USSR in the late 1920s, did not originate in the Communist Party high command but rather among the peasants themselves. We did not accept this conclusion lightly or on the basis of official propaganda: the deceptions of the past, where the claims of Communist Parties have been involved, have been too numerous and disillusioning for that. But the cumulative testimony of competent eye-witnesses finally convinced us.

R. H. S. Crossman, one of Britain's leading Laborite journalists, was in China during September when the drive to form new communes was at its height. Writing at that time he reported:

I was lucky enough to fly into China in the very week when the People's Commune movement . . . suddenly spread across the whole country. Later on, I visited three of these human beehives, which make the collectivism of the Israeli kibbutzim look very half-hearted. . . . All had been set up since my arrival



in Peking and everything I saw suggested that this particular Leap Forward was spontaneous and unforeseen by the State Planning Commission ("The Chinese Ironsides," *New Statesman*, Sept. 27, 1958.)

More recently, Crossman has elaborated on his report of what he saw in China in September ("The People's Communes," *New Statesman*, January 10, 1959). In the final paragraph of this second article, he states:

I am inclined to . . . conclude that the movement for the People's Communes did indeed come not from a remote official stratosphere but from that hard puritan elite of peasant Communists who have emerged in their tens of thousands through the countryside. If I am right, this episode confirms that Chinese Communism still remains a dynamic mass movement and that its leaders still respond to pressure from below.

A considerable body of evidence to the same effect has been supplied to us by our friend Professor D. D. Kosambi of the Tata Institute of Fundamental Research, in India. Professor Kosambi has himself been in China as an expert adviser on statistical techniques; he has talked privately and at length with many Indians (including the members of official delegations) who have been to China during recent months; and he remains in close touch with people inside China who are in no sense spokesmen for the regime. The following excerpt from a letter to Professor Kosambi by an Englishwoman resident in China is typical of the reports he has passed along to us. The communes were established, she writes, "because there were contradictions (as they say)"; and she continues:

These were: (1) Water conservancy on the required scale was beyond the physical means of the cooperatives. . . . If a reservoir was built to serve two cooperatives there were disputes as to its use. In some cases, instead of combining to build a reservoir, each started to build its own—and often could not finish it. (2) Afforestation. There is a lot of mountainous land in this country as well as rich plainland. The cooperatives on the mountains had much land and few people, vice versa on the plains. If the mountain people planted trees they could not care for them and financially could not wait the required number of years for the fruit, timber, or what have you. (3) Pasturage. Same thing. Fewer cattle in the mountains, relatively more pasture; shortage of fodder on the plains, or scattered pasturage which wasted labor, etc. (4) Under the Forty Point Program for Agricultural Development (which has, I found, the most absolute support from everyone) everyone had to plant a certain variety of crops in each area. But there were differences in

soils, terrain, and so on. One cooperative had land good for sesamum, another land good for cotton, but each had to grow both—with the result that the plans did not work out. In other words, irrational use of land. (5) The cooperatives had not enough funds to step up capital accumulation as wanted. I can best illustrate this by saying that they told me a medium-sized cooperative in that area would not be able to accumulate enough to buy a tractor for five years at the existing rate of development. Since the formation of the commune, what were formerly 27 cooperatives have already *put down the money* for 26 tractors—and only had not received them because they were of course, on a waiting list. (6) There were wide discrepancies between “advanced” and “backward” cooperatives. The poorer ones would have liked help from the wealthier, but there was no provision for this.

Thus, they told me, the people started last winter talking about a *ta shé* or big cooperative. They had had some experience of what this would do because in the previous summer there had been a prolonged drought and the only way to solve it was “like a military operation”—i.e. by combining forces and making them very mobile. . . .

This all makes very good sense. It indicates that the force underlying the commune movement is what economists call the “economies of scale.” And it is altogether plausible that the peasants themselves, having already escaped the confines of individual cultivation through the cooperatives, should be the first to see, in purely practical terms, the great advantages of even larger-scale organization. The generalization of the communes to the entire Chinese countryside was probably the work of the Party, but we see no reason to doubt either the spontaneous origins of the movement or its elemental force once under way.

The evidence of popular approval and participation is striking indeed. “The enthusiasm is indescribable,” Professor Kosambi’s English friend writes of the commune she visited. Members of a high-level official Indian delegation are quoted as reporting to incredulous Indian hearers that the morale of the communes is so high that no mechanism of surveillance or coercion is required to keep the members from cheating at the expense of the collectivity. And from the other side of the world comes evidence from an equally impressive source. Dr. Joseph Needham of Cambridge University, one of the world’s leading Sinologists, spent three months and traveled 12,000 miles in China last summer gathering material for his monumental history of Chinese science and technology. Re-

cently he recorded some of his impressions in a letter to *The New Statesman* of London, from which we quote the following:

My most outstanding impression of China this year was of the unreality of the idea so cherished in the West that the population is dragooned to perform its tasks. On the contrary everywhere one sees spontaneity (sometimes outrunning government planning), enthusiasm for increasing production and modernization, pride in an ancient culture equipping itself to take its rightful place in the modern world. What has been done in public health, social services, industrial development, and advancing amenities of all kinds, and what one sees going on under one's eyes, would be absolutely impossible without the willing and convinced cooperation of all age groups and all types of workers, manual and intellectual. A new type of social engineering, the product of leadership from within, not from above, raises up movements as urgent popular demands and not as the mechanical result of drives from the central government. . . .

[With regard to the communes,] this development was only just starting when I was in China, but I conceive it to be primarily an extension of the system of cooperative production which I have seen at work everywhere there. Deeply in accord with old Chinese social traditions, this principle is, I believe, welcomed and accepted by the overwhelming majority of Chinese working people.

This all fits together, and we find it as persuasive for its inner logic as for the eminence of its source. But in the final analysis, by far the most convincing evidence is the actual record of achievement during the year when the communes were formed. Collectivization of agriculture in the USSR was bitterly resisted by the peasants and could be put through only at the cost of a severe crisis of the whole agricultural economy from which the country was years in recovering.\* Nothing of the sort has happened in China. Quite the contrary. According to official year-end figures, reported in the *New York Times* of January 1, total production of grains (including potatoes) *more than doubled* in 1958, rising to 375 million tons from 185 million in 1957. If this is the achievement of slave labor,

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\* This does not mean that collectivization in the USSR was a failure or should never have been undertaken. Its immediate aim was to enable the state to secure control of the agricultural surplus as an absolutely indispensable preliminary to rapid industrialization, and this it accomplished. The alternative would have been a much slower rate of industrialization and quite possibly total defeat in World War II. History sometimes presents nations and people with cruel choices, a fact which Americans would do well to remember in the years ahead.

then a lot of theories are in need of revision—and not only Marxist theories either.

As to the alleged mass sacrifice of human comfort involved in the new communal ways of living, the evidence is equally unconvincing. Professor Kosambi's English correspondent, who it will be remembered is a woman, writes as follows:

The setting up of village restaurants, nurseries, and Old People's Homes seemed to me the real answer to women's emancipation. Said the women, dining rooms save them at least four hours work a day (they used to walk about three miles a day around the stone quern grinding the flour). In one area of 9,000 families, they have now set up 295 dining rooms with five cooks each—saving 7,515 times four hours every day! Secondly the nurseries and Old People's Homes free them from further household cares. Thirdly, they now get wages, and what is more important, the wages are paid to them, not to the head of the family as under the old "work-point" system. A woman told me that under the old co-op she had to cook, mind the kids, etc., and managed to earn about six yuan twice a year which was paid to her husband as head of the family who passed it to his mother to lay out. So if she wanted a reel of thread she had to ask her mother-in-law. Now she gets five or six yuan a month, paid into her own hands. . . . And since grain and most vegetables in this crop are "on supply" in addition to the monthly wage, they can eat as much as they like three times a day. So can everyone in the family—kids at the nursery, old people at the OPH. The effect on big families with small labor power is of course tremendous. The general thing is to have what they call "improved living" every five or six days—i.e. to eat *meat*, which they pay for. Twice a year was about the record for eating meat in the past.

And Dr. Needham, with the point of view of many Westerners in mind, contributes this commentary on the new communal living:

Current criticism of the "communes" seems to rest, often enough, on limitations of outlook characteristic of highly industrialized Western societies. People here who dislike the idea of families eating in restaurants and canteens know only Western homes provided with gas stoves, electric washing machines, etc.—if they had had any experience of the slavery of the Chinese woman throughout the ages to the charcoal or brushwood stove and the primitive water supply, they would understand that the cooperative farm or works restaurant and the public baths today seem more like a heaven on earth to millions. . . . Emancipation of women to follow careers, whether on the farm, railway or factory, or in intellectual work, is one of the most remarkable features of present-day China, as I know

from personal contact with innumerable friends all over the country. Nor am I particularly shocked by the idea of restaurants where one does not have to pay, having enjoyed many a meal under such conditions in the kibbutzim of Israel as well as in the educational institutions of my own country. This is a matter of pride in China today, not of compulsion or regimentation; the direct reward of the successes of agricultural production.

All of this makes excellent sense, too. Why shouldn't the great majority of Chinese approve of the commune system, and work harder under it, if it enables them to produce a great deal more and live better?

This, however, is certainly not the end of the matter. The commune system also has very far-reaching non-economic implications, and it is undoubtedly these that raise up furies in the breasts of American journalists. Surely, very few will be found to say that the communes are bad because they allow a backward country to double its agricultural output in a single year! But there can hardly be many in the United States today who will feel sympathy, let alone speak kind words in public, for a system which is the avowed enemy of individualism; seeks the end of the small family as the basic unit of society; wants to wipe out the key distinctions of society as we know it in the West (between workers and peasants, between town and country, between mental work and manual work, between peasants and intellectuals, between collective ownership and ownership by the people); and aims at the eventual disappearance of wages and even of money itself.\*

A system which looks beyond immediate economic objectives to such profound structural changes as these arouses our journalistic (and academic) commentators to a real frenzy of emotional antipathy. "Communal uniformity and drabness," "a faceless army denuded of identity," "anthill society," "Orwell's 1984"—these are typical of the charged epithets which stud the descriptions of the goals the Chinese are pursuing. Every right-thinking person will be duly impressed, horrified, and repelled.

But what about left-thinking people? Some of them seem to share the same sentiments, and others may be carried away by the torrent of denunciation and abuse to which they are daily sub-

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\*This enumeration of goals is compiled—verbatim in the case of the distinctions to be wiped out—from Mr. Rich's article in the *New Republic* cited above. We see no reason to question its authenticity.

jected. To all of them we say: don't be taken in by your ideological and political enemies! The goals enumerated above are the historic goals of the socialist movement, espoused not only by Marx and Engels but by the great utopians before them and by such non-Marxists as Kropotkin and William Morris after them. *The Chinese are being passionately denounced precisely because they have committed themselves to by far the greatest attempt yet made to put these socialist ideals into practice.*

That this is indeed what is at issue will be seen from a careful reading of the more thoughtful denunciations, such as Stanley Rich's in the *New Republic*. He quotes with horror from *Red Flag*, the Communist Party's theoretical journal, a statement setting forth the aim to "undermine the family built on the basis of the class exploitation system. That kind of family which carried out individual production with the family or the household as the unit . . . was nothing but a poor cage for the working people. . . . Individual domestic labor . . . is also a remnant of the family under the conditions of individual production. . . . In the socialist society [individuals] will no longer have to worry over their inability to establish or to maintain a most simple family. . . . In the socialist and communist collective body, everybody takes up labor with joy, and all jointly and reasonably share the fruits of their labor." A bourgeois individualist may properly be horrified, of course. But how can a socialist fail to agree with every word of this statement? And how could he possibly see in it evidence of a sinister design to destroy the family as such or rob the working people of their freedom and individuality?

Another count in Mr. Rich's indictment is "the fact that the new manpower is both mobile and interchangeable. 'When the farming season is brisk,' boasts a Honan report, commune members 'will be busy in the field; and when the slack season in agriculture arrives, they can work in the factories.'" From this Mr. Rich draws the conclusion that "the worker . . . is stripped of his technical identity. He may be a teacher one day, a farmer the next, a steel-smelter the next, depending on . . . the varying industrialization demands of the commune involved." And what, may we ask, is this "technical identity" but that crippling and mind-destroying enslavement to more and more narrowly defined specialization which socialists and humanists alike have repeatedly denounced for at least the last hundred and fifty years as one of the worst features

of capitalist society? If the Chinese communes will do away with it, how can socialists withhold an accolade of praise?

Or take still another count in Mr. Rich's indictment:

. . . even the wage system will disappear if the communes work out as Peking both plans and expects. For it has been made explicit clear that in the "Grandfather Society" [Rich's translation of the Chinese term *kung shê* which is more commonly rendered as "commune"] even money will eventually become meaningless. Within 6 to 10 years every one of China's by then near-billion population will be totally and solely dependent on the commune.

Compare this with Marx's famous advice to the working class (as stated, for example, in *Value, Price and Profit*): "Instead of the conservative motto: 'A fair day's wages for a fair day's work!' they ought to inscribe on their banner the revolutionary watchword: 'Abolition of the wages system!'" If the Chinese communes have now accepted this advice in earnest, can socialists chide them for it?

"At the moment," Mr. Rich finds, "the communes are eliminating all 'bourgeois' differences." We listed these differences above, but they are worth repeating: "between workers and peasants, between town and country, between mental work and manual work, between peasants and intellectuals, between collective ownership and ownership by the people." And he adds that "tomorrow . . . the communes will have completely eradicated the concept of 'unequal bourgeois rights' and will have ushered China into the final utopia of true communism where 'the state will be limited to protecting the country from external aggression but will play no role at home.'" This last remark is presumably a reference to one of the most striking and revolutionary characteristics of the communes, that they manage *all* economic and governmental affairs within their respective areas. Already the lowest ranks of state officialdom have been abolished: the commune as a body is responsible to the state, but there are no state officials over the commune. It is still much too early to say how this scheme is going to work out, but it seems clear that at the least it has very exciting possibilities. Let those who profit from bourgeois differences and enjoy unequal bourgeois rights scream bloody murder — they have every reason to, because if this Chinese experiment succeeds, their kind of society is as surely done for as ever an *ancien regime* was. But let us who have faith in the potentialities of cooperation and planning, and look to a better future for the human race honor the Chinese people for

what they are trying to do and hope with all our hearts for their speedy and full success.

Not, of course, that everything is roses in China today. The people have to work hard for what they get, and it still isn't much. Equipment and technique are for the most part scarce and primitive. The road to modernization is long and doubtless uphill most of the way. Moreover, even those features of the present situation which give the most ground for hope have their negative side. To quote from R. H. S. Crossman's September article in the *New Statesman* (he is speaking of the peasant leaders whom he met in various parts of the country):

Only one of them . . . was a party functionary. All the rest ten years before had been illiterate, helpless victims of landlordism. Today . . . the main impression they make is one of self-reliance and self-possession.

Once again, I thought, the common man has proved himself capable of wielding authority, and I was reminded irresistibly of Cromwell's soldiers as they revealed themselves in the Putney debates of 1647. Here, I thought, is another Puritan revolution. Here are Iconoclasts and Ironsides, like our own, who combine a cool power of practical decision with an arrogant certainty of predestined victory; a devotion to the liberation of the people with a sectarian persecution of minority opinion. . . .

The Communists are obviously determined to prevent the mandarins taking over their revolution and re-creating a China ruled by the intellectual elite. But, in rectifying the intelligentsia, they are scaring it out of its skin and inducing a terrifying degree of intellectual conformism. . . .

Up to a point, at any rate, the accuracy of this description is confirmed by Joseph Needham. "I agree with R. H. S. Crossman," he wrote in the letter to the *New Statesman* quoted above, "that much in China today reminds one of Cromwell's Ironsides, with all their conceptions of social morality."

Puritanism, fanaticism, arrogance, enforced intellectual conformity — these are qualities which recur in periods of revolutionary advance. Perhaps they are the necessary levers by which peoples and nations are pried out of old ruts and habits and set on the road to new and higher achievements. But they are very far from being amiable qualities, and — at least in our judgment — no society of which they are a prominent feature can by any stretch of the imagination be called a good society. How long they will persist in



China or to what lengths they will be pushed we do not pretend to know. But we do know that we, and we are sure many other socialists all over the world, will be anxiously watching China's further development for signs of relaxation and liberalization.

In the meantime, perhaps the best commentary on China in the late 1950s was made many years ago by one of our own most creative thinkers. Writing his great essay on "The Moral Equivalent of War" in 1910, William James made the following statement, as profoundly true as it was prophetic:

What the whole community comes to believe in grasps the individual as in a vise. The war-function has graspt us so far; but constructive interests may some day seem no less imperative, and impose on the individual a hardly lighter burden.

We in this country are still in the grip of the war-function. China has made a "great leap forward" to a new era of constructive interests. As William James foresaw, they "seem no less imperative, and impose on the individual a hardly lighter burden."

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