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THE PROCESS OF URBAN AND RURAL ECONOMY IN CHINA

THE ROLE OF THE PEOPLES COMMUNES
Shirley Wood

SELF RELIANCE
David Crook



"Peoples Communes Are Good"

INTRODUCTION

China's economic development goes steadily on, in spite of Western presentations discounting that advance. These two articles, one writing of rural economy and its relation to the industrial economy, the other of industrial economy with its emphasis on self-reliance, give some evidence of that steady advance.

But the main contribution of these two articles is the demonstration of the process by which China is advancing on her chosen path of building a people's economy.

It is a process that is based on the fundamental principles for achieving a socialist (and eventually a communist) economy, but taking into account the particular situation in China and applying the peculiar genius of the Chinese people - the ability to learn from others (domestic and international), the use of the formula, "Walk on two feet" ("use everything we have, indigenous and foreign, old and new, big and little, manual and mechanical, primitive and sophisticated"), constantly study, test, revise and improve, involve the participation of the people at all levels, and, above all, be self-reliant.

These articles are written by Westerners, one an American, Shirley Wood, and one a Britisher, David Crook. Both are long-time residents in China, working and living there; both are teachers in Foreign Language Colleges, one in the interior city of Kaifeng and the other in the capital city of Peking.

THE ROLE OF THE PEOPLES COMMUNES IN CHINA'S ECONOMY

by Shirley Wood

The role played by China's people's communes in the development of a modern industrial nation goes deep and far. Many of China's problems are new. They do not conform to, nor can they be predicted by the classical European pattern of industrialization. The Soviet example of rapid concentration of rural forces through collectivization (enabling agriculture to develop a foundation for industry in a fraction of the time formerly required) has been studied and analyzed, and the basic position of agriculture in economic development realized. But the enormous advances of modern technique, in agriculture and industry, present problems unique to newly-developing nations today. China's communes, with civic government and

planning placed directly in their hands, are able to deal with all facets of broad-scale problems. Their part in primary accumulation is immediately obvious.

THE RURAL SITUATION PRIOR TO LIBERATION

Prior to liberation, land concentration was already proceeding rapidly, even in the traditionally cottage-farm areas of north China, where the small holder occupied a high proportion of the land and the average landlord's holdings were small in comparison with the feudal estates of the south and southwest; peasants were being bullied and cheated of their land, followed by manhunts of their kin, accompanied by conscription, beggary and starvation or outright murder, so that none would remain to press for the debt.

A portion of the rents from large holdings went into the establishment of businesses and industries in towns and cities. The semi-mechanized manufactory was common in inland towns, providing coarse products for the large country market, while the small middle class bought finer goods imported from Shanghai. Industrial profits were not so much ploughed back into trade and industry (development of which was limited by China's semi-colonial status) as reinvested in land. The slow growth of industry and its concentration along the coast - where foreign supply was often cheaper than domestic grain and raw materials brought over poor inland communications - provided no incentive for the capital development of agriculture; estates remained divided into small tenant lots with some larger fields cultivated directly by farmer or landlord using hired labour and primitive hand methods.

THE RURAL SITUATION AFTER LIBERATION

The land reform in China was a step in the democratic revolution, breaking feudal power in the countryside and guaranteeing the minimum livelihood of the peasantry. National development demanded capital development of agriculture, to provide a food and raw materials base for industry, and a surplus labour pool. Re-polarization of land ownership alone would achieve the concentration of land and capital necessary, but slowly and at the cost of misery for the majority of the country population until they could be absorbed into the towns. Instead, the People's Government decided on planned, step-by-step collectivization of agriculture, ending in the formation of the people's communes.

Under the rural commune system the concentration of land does not entail the dispossession of the small peasant and his

transformation into a propertyless labour-vendor. Nor will mechanization produce mass unemployment and destitution. The commune member is assured for life of a house and work suited to the strength and abilities of his family, or of commune care if completely dependent. Chief livelihood comes from the share of common field produce in return for work-days laboured, part in cash and part in kind. The absence of master-hand relationship makes it possible to arrange labour to suit the requirements of both commune and individual.

Thus the countryside has been able to provide labour for the cities without moving entire families. A family which loses a major part of its able-bodied labour power does not lose its tenancy, or with it its own employment. This has been important in adjusting the migration of population to the cities, with its accommodation and welfare problems, which are concomitant with the industrial revolution. Engels describes these problems in his introduction to "The Housing Problem":

"The period in which a country with an old culture makes such a transition from manufacture and small-scale production to large-scale industry, a transition which is, moreover, accelerated by such favorable circumstances, is at the same time predominantly a period of "housing shortage". On the one hand, masses of rural workers are suddenly drawn into the big towns, which develop into industrial centres; on the other hand, the building arrangement of these old towns does not any longer conform to the conditions of the new large-scale industry and the corresponding traffic; streets are widened and new ones cut through, and railways run right across. At the very time when workers are streaming into the towns in masses, workers dwellings are pulled down on a large scale. Hence the sudden housing shortage for the workers and for the small traders and small manufacturing businesses, which depend for their customers on the workers."

With regard to labour, the results of communization had not been fully predicted. Although all hands must turn to during certain periods in the countryside there was chronic unemployment during much of the year. It was expected by some that with increased mechanization, made possible by concentration of investment power under the commune system, this under-employment would be increased. In reality, the industrial great leap in the early days, starting from scratch with boundless

enthusiasm and bare hands, made heavy man-power demands upon the countryside. But at the same time the communes themselves had ambitious construction projects (water conservancy, roads, etc) and were establishing numerous year-round industries. (Some were later dismantled as over-ambitious; but such as brick kilns, motor repair shops, cotton gins, oil presses and flour mills for local consumption flourish.)

Cooperative and government commercial channels further organized, through the communes, production and sale of cottage products such as baskets, straw braid, mats and brooms, home-spun and special food products. In addition, timely planting, better field management, more fertilizer use and selection of quality seed brought higher harvests, demanding more labour for their handling. The woman not only was not relegated to the house - she became more and more necessary in the farm work. The surplus labour pool failed to materialize.

INDUSTRY TURNS FROM EXPANSION TO CONSOLIDATION

By the end of 1960 city industries, both old ones and new ones which had proved themselves, were turning from expansion to consolidation. The enthusiasm of the past three years was thoroughly harnessed and channeled into developing more rational methods, better mechanization through innovation and automation. This has had the effect of improving production, lowering costs and limiting expansion of the labour force.

Shanghai, an old industrial base with a large, highly-skilled labour force, is a leader in rationalization and automation. This gives limited employment opportunity for the youth among its ten million population who enter the labour market from the high schools. Yearly these youth ship out for better opportunities in the newly-developing industrial and agricultural areas. Inland towns which prior to liberation produced inferior soap, matches and bicycle repairs need hands now for everything up to huge tractor factories.

THE COMMUNES AS SHOCK-ABSORBERS

But in a country which has not yet built up its economic base, critical times still occur. Thus the commune system is an important shock absorber. The severe nation-wide drought starting in the autumn of 1959 and lasting three to four years in the worst places created serious supply problems in the cities. Not only problems of food, necessary for supporting large industrial populations, but problems of materials such as industrial oils, cotton and tobacco leaf which accounted

for much of light industry. At the same time the Soviet Union stopped supplies of construction materials. Industry was seriously curtailed. New jobs were filled by transfers from idle industries. Consolidation, rationalization and automation further cut required labour force. Under these circumstances, labour which had entered the cities since 1956 was urged to return to the countryside. There they had their place in the communes. The situation in the cities had become serious when only limited numbers of the reserves were needed and the 1960 autumn harvests failed. By spring of 1961 when much water and labour were needed to get a good crop from the field, the concerted efforts of a family could feed itself from a small plot in spite of bad weather, and with a bit over. And the wee bit harvest would not be gobbled up by rent and tax-collectors as in the past. (Taxes were waived on disaster areas as a national policy and personal gardens had never been taxed. Taxes set in 1961 were to remain unchanged for three years, to help communes regain their footing and raise yields). The first turn for the better put the communes ahead of the cities.

Unskilled, low-income families, a heavy inheritance from the past, were also encouraged to leave the cities. The government introduced them to labour-short communes and provided a stake to cover house, furnishing, tools and the cost of food until the first harvest in which they could share. A large young family in the country can do much in light jobs to feed itself. Many cities families particularly those with older children soon to leave school for a job, preferred the life to which they were accustomed, but many moved out.

WHAT THE MODERNIZATION OF THE COUNTRYSIDE MEANS

As the agricultural situation improved, hiring began again, but a backlog of unemployed youth graduated from high schools had piled up. Here is a situation which one can expect to be rather a pattern for newly developing nations today. The rapid development of agriculture and industry must take place simultaneously, any lag on the part of one holding back the other. China has found the way to overcome this lag.

The communes become the school and the bank. Graduating youth not immediately absorbed into industry, schools and white-collar jobs are urged to go to the communes to work. Here they attend the school of Life and Labour, tempering themselves in the class struggle and the struggle for production and scientific experimentation. With the modernization of the

countryside - (in which these modern educated youth make an immediate contribution to rural education, rural hygiene and the overcoming of rural conservatism) electrification, water conservancy and irrigation, and the wide use of chemicals in fertilizers and insecticides - enormous opportunities for educated youth are opened up. "The country is a wide, wide field; there are great opportunities there". (Mao Tse-tung).

Modern technique in industry demands masses of educated youth. Here in the communes when the factories need new workers, they can get good ones; and the communes themselves can have well-founded technicians for their own development. Educated youth as a progressive energetic element can play an important part in initiating and speeding advance in the countryside. They serve both their own future and the future of their country by thus participating in making the communes a basic and a driving force in the building of China's modern economy.

SELF-RELIANCE IN CHINA by David Crook

"When did you start using dust instead of lumps of coal in your furnaces?" we asked the manager of the Taiyuan Thermo-Electric Power Plant. "At the time of 'ziligengsheng', he answered. This usage of the policy of "relying mainly on one's own efforts" as a date underlines its importance as a turning-point in China's industrial development. Its full-scale implementation occurred in 1960, when Krushchev withdrew the Soviet experts from China on 48 hours notice, thereby breaking hundreds of contracts.

China's reaction - economic self-reliance instead of political capitulation - could have been foreseen by one with better understanding and a longer memory than Krushchev. It was not only a repetition of what happened when the United States imposed its blockade of China immediately after liberation in the belief that such a "backward" people as the Chinese would never be able to run even the Shanghai Power Company without its assistance.

ORIGINS OF THE POLICY OF 'ZILIGENGSHENG'

The origins of 'ziligengsheng' go back at least to the anti-Japanese War. In the museum at Yen-an we saw much evidence of how the Communist-led liberated areas withstood economic

blockade by both the Japanese and the Kuomintang - including curiosities such as bark used as paper, an abacus made with peach-stones, playing cards made of clay, and pens made of cartridge cases. But this was only the more passive aspect of self-reliance. Flying over the wind-carved loess uplands from Sian to Yen-an we suddenly found ourselves above the legendary valley of Nanniwan - South Muddy Bend. This was where the 8th Route Army regimental commander Wang Chen, now Minister of Land Reclamation, in answer to Mao Tse-tung's call to "feed and clothe ourselves with our own hands" in 1940-41 led his troops in an attack on the wasteland. Today, a quarter of a century later, every schoolchild in China knows the song honoring the spirit of self-reliance which found such striking expression at Nanniwan.

SOVIET WITHDRAWAL INTENSIFIES SELF-RELIANCE

Though Krushchev's arbitrary withdrawal of experts did not give birth to the policy of 'ziligengsheng', it is significantly related to it; for much of the heavy industrial equipment which China never made before 1960 and for which she relied on the Soviet Union, she is now turning out for herself, and even exporting.

Take, for example, the 350-ton crane for raising the sluice gates at the San Men Xia Dam (Three Gates Gorge...ed) on the Yellow River. This was actually made in the Soviet Union and was ready for shipment to China in 1960 when the Soviet contracts were broken. "We'd never even set eyes on such a thing as a 350-ton sluice gate crane, when all of sudden we had to make one", said the manager of the Taiyuan Heavy Machinery Plant. "The workers said, 'So old K won't let us have it! All right. We'll make one ourselves'. And they did, within a year."

The manager went on, "Then there was the cold-steel rolling equipment, before 1960 when we had a dozen Soviet experts in this plant, we asked them to help us make it. They looked at us open-mouthed. 'You can't do that here in China', they said, 'It's a very advanced technical process'. So we imported it from the Soviet Union. In 1960 they cut off all deliveries and by 1962 we needed a lot more; so the Heavy Machinery Ministry decided that China must make its own. The Ministry knew that this was a tough proposition, so it gave the job to three different plants, one in Shanghai, one in the Northeast and one to us. All three plants managed it within a year. When the Soviet government found out they offered to resume ship-

ments. We said, 'Thank you very much, but we don't need them now''.

"Another time we had a contract with the Soviet Union for a full set of equipment for making railway-engine wheels. In 1960 they scrapped it. We'd always imported engine-wheels before, but the government decided we should make them ourselves and farmed out the job to about a hundred different plants. Our part of it was to make an 8,000-ton hydraulic press. It wasn't so big as the 12,000-ton one they've made in Shanghai recently, but it wasn't so small either." China now makes all her own engine-wheels - and also exports them.

These examples are all of industrial equipment which China started to make for herself following the Soviet breach of contract. But the spirit of self-reliance in connection with work formerly performed by Soviet experts is shown in other ways.

OTHER PROBLEMS TOO SOLVED BY SELF-RELIANCE

The Taiyuan Thermo-Electric Power Plant at one time or another had a score of Soviet experts, but by 1957 they had finished their job, having in the course of four years installed seven Soviet furnaces and four generators with a total output of 74,000 kilowatts. The experts then went home; so no question of breach of contract arose.

In 1958, a year after the Soviet experts left, the Great Leap Forward started - which so many "China experts" have so often talked out of existence. More power was needed for the fast expanding local industry. Building on the experience they had gained in working on the Soviet equipment, the Chinese then installed two new furnaces and two new generators made entirely of Chinese material and by Chinese personnel. These produced 100,000 kilowatts (that is 26,000 kw more than the Soviet seven furnaces and four generators) - and at just over one quarter the cost per kilowatt. And the whole job took one year and two months - not much more than quarter the time taken to make and install the first set of equipment. It was with these new Chinese-made furnaces that the switch was made from lumps of coal to coal-dust, which is conveniently fed into the furnace by blowing instead of by laborious shovelling.

This accomplishment demonstrates a vital aspect of China's self-reliance; it involves not only the ability to make what was previously imported, but to make it better, cheaper and faster.

RESOURCEFULNESS, FLEXIBILITY AND ADAPTABILITY UNDERGIRD SELF-RELIANCE

One reason for the superior efficiency has been adaptation to local conditions, such as air-pressure, type of coal, etc. Without investigation of such specific factors, imported equipment was necessarily of a general type which could not function at maximum efficiency in any particular part of China. A more far-reaching factor has been adaptation to China's own level of industrial development rather than to that of the exporting country. If anything went wrong with a piece of Soviet equipment or some subsidiary machinery was required, the Soviet experts' automatic response was to send home for whatever was needed. This took time - and money. The Chinese response in such a situation was to work out some solution with whatever was available on the spot. Chinese resourcefulness and flexibility is, of course, traditional, but in new China it finds far fuller and freer expression than ever before. Today it proves invaluable in devising quick solutions to modern industrial problems, often by-passing conventional procedure.

How such efficiency has been achieved, we asked the manager of the power plant after he had cited several examples of the workers' ingenuity. "By the mass line", he answered. And what exactly did that mean in this case?

THE MASS LINE

What does this mean? The manager explained: "By and large the Soviet experts knew their job, worked hard and behaved well. But first and foremost they were experts. They followed the 'expert line' not the 'mass line'. They said what was to be done and they expected the workers to do it. That was that. Our Chinese engineers are different. They practice a whole set of principles worked out under Communist Party guidance. For instance, they put in two days a week at the work-bench. This not only enables them to keep in touch with the process of production and spot any weaknesses in it; but it also gives them a chance to talk with the workers, find out their difficulties, draw on their years of experience and on their inventiveness. In fact, this practice has been systemized into what we call the 'triple bond' - of the leadership (the Party organization and the management) in the plant, the engineers and trained technicians, and the workers at the bench. This has proved far more effective than relying solely on experts, however experienced."

This was confirmed for us at the Taiyuan Chemical Fertilizer Plant. Here under the supervision of five Soviet experts a 1500 kilowatt Soviet-made turbine was installed toward the end of 1959. Despite repeated trials it failed to function. The factory management and personnel were extremely worried, as according to plan it was to be in operation by January 1st 1960. The experts cabled a report to Moscow and asked for instructions. Meanwhile they put in their regular time at the plant, then knocked off and went back to their hotel. The Chinese personnel, contrary to their advice, worked day and night to get the turbine started. In the end they succeeded, thanks to the "triple bond". (The story did not immediately reach a happy ending, however. On New Year's Eve when the experts were celebrating at their hotel the turbine broke down. Without disturbing them the Chinese opened it up and discovered that certain wheels which should have been made of high-grade stainless steel were actually made of inferior non-stainless metal. The wheels were later apologetically replaced by the Soviet Union, before the rupture of economic relations in August 1960.)

ANOTHER MASS LINE PRINCIPLE: COMPARE, LEARN, CATCH UP

Another mass line principle worked out by the Party is that of "comparing with and learning from others, catching up with those in front and helping those behind", - succinctly expressed in China in the four syllable bi-xua-gan-bang (literally "compare, learn, catch-up, help"). This is practiced by different teams in a workshop, by different shops in a plant, by different plants in the country. It may be done by studying summaries of each others' work methods, sending round inspection teams or having individuals or groups go to work with other units to swap experiences and pick up tips. The absence of competition, of patents and of the profit motive and the unified desire to build up a nation's industry are favorable if not essential to all this.

The Taiyuan power plant, for instance, built its two new furnaces in 1960 to burn dust instead of lumps of coal after studying similar furnaces in Shijiashuang a couple of hundred miles away. The Shijiashuang plant had itself learned from Taiyuan in the first place, for it sent its whole staff there for training before setting up its plant in 1957.

There was of course nothing new about burning coal-dust, but the Soviet built furnaces were not adapted to it. They did,

however, have the advantage of needing relatively little oil which was not plentiful when they were set up (1953-1957). In 1960 the Chinese engineers proposed converting them, but the Soviet Union refused to supply the more needed oil. As soon as China had enough of her own oil the two new dust-burning furnaces were built; when these were finished work started on converting the Soviet furnaces to dust-burning.

The experience of Taiyuan is nothing out of the ordinary in China. The writer himself recently saw evidence in other industrial centres all the way from Tsingtao in the East to Sian in the Northwest, and has heard and read eye-witness reports from many parts of China.

Specific systems such as those of "compare-learn-catch up-help", "the triple bond", and managers working at the bench are more or less new; but the general principle of the mass line is as old as or older than self-reliance. Still, the withdrawal of experts and "aid" did add impetus which resulted in new methods of work that draw systematically more than before on the ingenuity of the Chinese working people.

China's remarkable economic advance is visible to any unprejudiced eye. The practice of self-reliance is not confined to China alone: it is making headway among newly independent countries in Asia and Africa, and as it spreads, it brings closer the end of colonialism and neo-colonialism.