People's Communes in China

A Study in Theory and Technique

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The year 1958 — the year of the 'Great Leap' in China — has witnessed the launching of a remarkable experiment in rural reconstruction, viz., organisation of 'People's Communes'. Since 1949 China has travelled from the stage of land redistribution to that of 'agricultural producers' cooperatives' (of the type of Soviet collective farms) after having gone through the intermediate phase of mutual aid associations. Five or six years ago one expected, as I did (vide my book 'Economic Development in New China') that the intermediate stage, at any rate in Central and South China, could not be skipped easily. Therefore, the rapid growth of more than 740,000 cooperatives by 1958 appeared to me to have been a symptom of economic strain caused by the exigency of generating a larger marketable surplus of foodgrains and agricultural raw materials in order to meet the expanding requirements of industrialisation and the high export targets which are becoming steadily higher for compelling economic and political reasons. At any rate, the most that one could regard as probable was that the Chinese peasants would settle down to the Soviet model of collective farming, or some variant of it, depending on local circumstances. It appears now, however, that one failed to notice the solid fact that the collective farm organisation, as a stereotype, has failed in eastern Europe and that even in its homeland it has been going through the process of re-organisation in terms of loosening of central direction, greater local initiative and better economic incentives for larger agricultural output. I think that the sudden switchover in China last year from 'producers' cooperatives' to People's Communes' is a major tactical operation which has taken account of these developments.

Why Communes?

It is yet too early to evaluate the People's Communes as an instrument of rapid socio-economic change in Communist China. What I shall try to assess in this essay is its ideological validity in terms of orthodox socialist doctrine. It is clear that the rural Commune has not been unknown in the Soviet Union. But it has been an exception, the collective farm being the rule. The Chinese People's Communes seem to be the rule rather than the exception. Moreover, the collective farms so recently organised in China in hundreds and thousands have now been 're-organised' into Communes. Why is it that what has been recognised as a norm for more than a generation in U.S.S.R. is being so suddenly discarded in China? Is a lower, or perhaps an inappropriate, form of rural organisation being quickly skipped in the course of the 'Great Leap'? Several other intriguing questions arise as soon as we pose these questions. Is organisation of Communes consistent with orthodox communist doctrine? If it is, are Communes part of the Chinese way to socialism? Are the Chinese the correct interpreters of the doctrine where the Russians went wrong? Or, is it a case of either 'revisionism' or 'left deviation', both of which doctrinaire communists will unhesitatingly condemn sooner or later?

Trying to answer these questions is an interesting academic exercise. But I thought the attempt worth while at the present moment for other reasons. People's Communes have aroused more than mere curiosity in India. Already our political leaders have been thinking in terms of Panchayat-based cooperative farms preceded by the development of a net work of service cooperatives. The entire community development programme is sought to be geared to this broad line of development on the basis of 'democratic decentralisation'. After all, Commune and 'Community' are not very far apart in a broad sense. May it not be that community development in India and development of Communes in China are running on parallel lines, which will not meet because India and China have different socio-economic systems, but which will subserve a similar basic purpose?

Caution and Circumspection

It is not known to many that Engels had defined the orthodox socialist attitude to the peasantry in the context of socialist transformation in the following words which show extreme circumspection and moderation and almost smack of liberalism: "We stand decisively on the side of the small peasant: we will do everything possible to make his lot more bearable, to facilitate his transition to the cooperative if he decides to take this step: if he cannot as yet bring himself to this decision, we will give him plenty of time to ponder over it on his holding." Lenin followed Engels in stating that 'the representatives of the Soviet government must not resort to the slightest compulsion in the creation of cooperative associations'. Moreover, he laid down the principle that methods of collective farm organisation cannot be identical in diverse regions of the Soviet Union. But Lenin had no illusions about the response of the peasantry to socialist agriculture. He referred to "the commodity-capitalist tendency of the peasantry". "As long as we live", he said, "in a country where small-peasant farming predominates, there is a firmer economic basis for capitalism in Russia than for communism". It was difficult to reconcile Engels' circumspection with this objective statement of fact. Yet Lenin counselled caution and circumspection. Stalin's interpretation of Engels' caution was that Engels was thinking in the context of peasant proprietorship in Western countries as the result of which the peasant was rooted to the soil. In the Soviet Union since land belonged to the State the peasant's attachment to his holding was not a serious matter and therefore land nationalisation facilitated the transition of the individual peasant to collectivism. This interpretation is oversimplification of reality, as the history of forced collective
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lution under Stalin amply demonstrates.

Lenin thought that voluntarist cooperative organisation under a regime of State ownership of the means of production would usher in socialism in agriculture as well as in other spheres of economic life. Under his New Economic Policy he "made a concession to the peasant as a trader, to the principle of private trade". It was precisely for this that he thought that the "cooperative movement assumes such importance", for the Soviet regime had found "that degree of the combination of private interest, trading interest, with State supervision and control of this interest, that degree of its subordination to the common interests that was formerly the stumbling block for many socialists". In Lenin's opinion, "building a complete socialist society from the cooperatives alone" was possible. In the particular case of the peasantry, cooperatives would be "means that will be simplest, easiest and most intelligible for the peasantry". Lenin therefore, insisted that cooperatives must be granted State loans and incentive bonuses. This means that Lenin was opposed to violently forcing the pace of cooperative or collective agricultural organisation. Because he showed such moderation in his approach to the peasant problem he realised that cooperatives, to succeed in the Soviet Union, have to await the spread of literacy, development of efficiency and training in cooperative practice as well as the safeguards against bad harvests and famine. He had, therefore, no hesitation in saying (in 1923) that "it will take a whole historical epoch to get the whole population to take part in the work of cooperatives through the NEP. At best we can achieve this in one or two decades".

From Collectives to Communes

After Lenin, together with NEP, his and Engels' caution and moderation, and their theory of the gradualness of the development of cooperatives, disappeared. There was violence and forcing of the pace all round. Earlier than two decades after Lenin wrote his article entitled "On Cooperation", collective farms became the pattern. In the agricultural sector of the economy and private trade vanished. On the Ideological plane Stalin professed to follow Lenin. Were not collective farms a form of cooperatives, the "most striking form of producers' cooperatives"? As Stalin said in reply to critics, "Lenin's cooperative plan means to raise the peasantry from the level of marketing and supply cooperatives to the level of producers' cooperatives, of collective farm cooperatives, so to speak". Supply and marketing cooperatives had already been developed and consolidated and, therefore, conditions were ripe for the next higher form, the collective farm. In one of his polemical essays Stalin quoted Lenin to say that he favoured the "cooperative, artel form of agriculture". In an artel the principal means of production are socialized, "with the exception of household land (small vegetable gardens, small orchards), dwellings, a certain part of the dairy cattle, small livestock, poultry, etc." "It is the most expedient form for solving the grain problem" - the problem of marketable surplus of foodgrains, so crucial in a rapidly developing backward economy. Thus under Stalin the collective farm became the highest form of agricultural organisation and has remained so during the whole period of socialist construction.

China has followed the agrarian policy laid down by Lenin and Stalin. There was, however, an important difference in the objective situation in China. As already explained, Stalin's interpretation of Engels' circumspection with regard to the peasantry was that Engels was thinking in terms of the peasant proprietorship so characteristic of Western Europe. In China owing to the predominance of the peasantry as a spearhead of the Communist revolution, expropriation of the landlords was followed by land redistribution among peasants and recognition of peasant proprietorship. Caution, circumspection, education of the peasantry in the ways of cooperative farming, special privileges accorded to cooperative associations and pressure of public opinion have characterised agrarian re-organisation. For China, as for the Soviet Union, producers' cooperatives have been necessary to combat the emergence of capitalism in agriculture, to ensure large-scale, efficient operation and to solve the 'grain problem' as a condition precedent to rapid Industrialisation. It is clear, however, that China has not needed Lenin's prescription of one or two decades of NEP and education and training in cooperation. Not only that; what was achieved in the Soviet Union, through violence and pressure, by way of development of collective farming on a gigantic scale and has been the pattern so long, has either not materialised in China in the same form or has been found inadequate. Otherwise we cannot explain the large-scale and quick 're-organisation' of agrarian cultural producers' cooperatives (the Chinese avoid the expression 'collective farms') into People's Communes.

Skipped the Artel Form

Before I discuss the character and significance of these 'Communes' on the basis of the statement of policy issued only last month, let me dwell on the orthodox, communist thinking on rural Communes. As already explained, Lenin laid great stress on the "cooperative, artel form of agriculture", which emerged as the collective farm under Stalin's dispensation. But one comes across passages in Lenin's essays in which he mentions "Communes" in the context of cooperative associations. It is not clear whether "Communes" are an advanced form of organisation beyond the stage of "cooperative, artel form of agriculture". For example, he says that "the agricultural commune must be established voluntarily, the transition to common cultivation of the land must be only voluntary, there must not be the slightest coercion in this respect on the part of the Workers' and Peasants' Government, nor is it permitted by law" (emphasis mine). Stalin was, however, definite and categorical on this point. In 1930 he wrote that "the conditions are not yet ripe for making the agricultural Communes, in which not only production but distribution also is socialized, the predominant form". "We must not allow", he said, "any attempts to skip the agricultural artel form and to pass straight to the Commune". He added that "large, well-established Communes can exist and develop only if they possess experienced cadres and tried leaders. Only as the agrarian cultural artels become strong and consolidated will the ground be
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prepared for a mane movement of the peasants towards the Com-
munes."

Have the Chinese done precisely what Stalin forbade in 1930? Have they not "skipped the agricultural artel form" and "passed straight to the Commune?" I must hasten to point out that the essence of Stalin's conception of an agricul-
tural Commune was socialised dis-
tribution; whereas the Chinese have accepted socialised distribution in the form of the free supply system only to a very limited extent. In skipping the Soviet agricultural artel form of agriculture the Chi-
nese do not propose to skip the socialist stage. This has been elaborately explained in the "Re-
solution on Some Questions Cor-
corning the People's Communes" adopted by the Central Committee of the Chinese Communist Party on December 10, 1958. "There will still be a considerable distance to go to reach the goals of a high degree of industrialisation of the entire country and the mechanisation and electrification of the country's agriculture; and there will be an even longer distance to go to reach the goals of an enormous abundance of social products, of a great lightening of labour and of a sharp reduction of working hours". Till then they will "retain the sys-
tem of distribution according to work done".

Communes—A Deviation

Is the Chinese 'People's Commune', then, merely a variant of the col-
cective farming type of agricultural organisation? Is the purpose of using this expression to repudiate Stalinism and to whip up communist ardour? Or does it embody a distinct-
ive Chinese experiment in the tech-
nique of building up a communist society with an ideology and prac-
tice which transcend Soviet thinking and practice?

An analysis of the resolution to which I referred above clearly shows that the Chinese have struck out new lines of thinking and prac-
tice which are only very broadly in conformity with orthodox doctrine. Whether it is a 'right' deviation or a 'left' deviation depends upon the temperament and background of the person who interprets them. But, that it is a deviation seems to be borne out by a rational interpreta-
tion of the Resolution. In these matters nothing succeeds like suc-
cess. The deviation will become the accepted Party line if it succeeds. What is of interest, however, is the nature of the deviation.

Democratic Decentralisation

The Chinese Commune is not merely an agricultural Commune. It stands for "unified management and deployment of labour power and means of production on a larger scale". Naturally therefore, it ceases to be merely an organisation of peasants into a collective farm, as in the Soviet Union. It com-pre-
hends industry, agriculture and its allied side-occupations, trade, educa-
tion, cultural and welfare activities and military affairs. The Commune has to foster not only agriculture but also small factories and has to run institutions for collective wel-
fare like community dining rooms, nurseries, kindergartens, homes for the aged, etc. It represents, therefore, the trend towards community development in a comprehensive sense, based on deployment of local resources and local initiative. In a Chinese Commune the means of livelihood owned by members (in-
cluding houses, clothing bedding and furniture), and their deposits in banks and credit cooperatives are their own property after they join the Commune and will always belong to them. Members retain trees around their homesteads and small tools and small numbers of domest-
ic animals and poultry. They can also engage in small domestic side-
occupations so long as they do not neglect collective work. Debts of Individual cooperative farms are not cancelled after a Commune has been established.

The Chinese conception of Com-
munes, unorthodox as it may seem in the context of Stalinism, goes back to Leninism in two important respects. First, there is the accent on democratic decentralisation. In the 1917 resolution on the agrarian question drafted by Lenin we read a remarkable passage: "an agrarian reform can be successful and dura-
ble only provided the whole State is democratised, i. c. provided, on the one hand, that the police, the standing army and the actually privileged bureaucracy have been abolished, and, on the other, that there exists a comprehensive system of local government entirely exempt from supervision and tutelage from above". I have no doubt that Lenin's conception of democratisation at the base was not the guiding prin-
ciple of Stalinism. It is perhaps now that there is a healthy trend to-
wards decentralisation and to quote Lenin's prophetic phrase, "exemp-
tion from supervision and tutelage from above", of which there has been too little in communist coun-
tries. It may be that in China re-
turn to Leninism is dictated by the excesses of centralist bureaucra-
ty out of touch with the masses. Secondly, there is another charac-
teristic of Chinese Communes, which, though seemingly unorthodox, is a throwback to Leninism. "Militia organisations are to be set up at corresponding levels of production organisa-
tions (in Communes), the leading bodies of the militia and production organisations being se-
parate", with the result that there will be dual leadership (arms, like consumer goods, to be produced locally). One will infer, as the Chinese themselves say, that this is a plan for military preparedness for defence on a mass basis. But I think the Chinese also realise why Lenin had advocated arming of workers during the stage of social-
ism. "The socialists demand", he said, 'the strictest control, by society and by the State' of the measure of labour and the measure of consump-
tion. But this control must be carried out not by a 'State of bu-
reaucrats, but by a State of armed workers" (emphasis mine). Was not Lenin also prophetic about the "state of bureaucrats" which has grown into a Leviathan in the Soviet Union and threatens to do so in China?

Combining Agriculture with Secondary and Tertiary Industries

The ideological logic of the Chi-
inese Communes may be explained in other ways as well. As already stated, according to the orthodox communist doctrine peasant pro-
prietorship is the potent base for capitalism and not communism. To neutralise the growth of petty bourgeois mentality inherent in the peasant's land hunger, his search for individual profits and his anxiety to increase the size of his holdings, it becomes necessary to dissociate him from his specific plot of land by assuring him a higher income through pooling of resources and better farming on a larger operating unit such as a collective or a co-
operative farm. There are, however, two difficult problems for which no
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solution seems to have been found so far. First, the incentive for better and larger production cannot be keyed up to a high pitch without drastic pressures. On the other hand, payment according to work creates inequalities which, beyond a certain point, sap the spirit of cooperation and generate class conflicts within the cooperative or the collective farm. There is also the inevitable tendency for the collective farm to set its own collective interest above that of the community as a whole and particularly that of the urban industrial sector. The conflict between town and country is as real in a socialist society in its early stages as it is in a capitalist economy.

The second problem, which is more serious in overcrowded India or China where man-land ratio is unfavourable for agriculture, is that of finding employment for hands which may be rendered redundant as the result of application of better, labour-saving techniques on a large agricultural unit. In China surplus labour has, to some extent, been absorbed in land improvement and land reclamation, in rural transport, in local handicrafts and small industries, in fishing and various other side-occupations. But the problem has persisted, by and large. The Chinese feel that the broad-based Communes will provide a solution to those two problems. By widening the bounds of collectivity into a large Commune and by combining farming with other forms of economic activity, they hope to neutralise the probable anti-social attitude of an exclusively agricultural organisation such as the collective farm. By combining agriculture with secondary and tertiary forms of economic activity they have been doing away with the unsound dichotomy between agriculture and industry, which is apt to generate economic tensions even in a socialist society. Thus there is now a real possibility of complementarity of economic growth on the basis of broadbased industrialisation in the vast rural areas of the country. If this possibility is realised, the Chinese confidently expect that it will be real solution may be eventually found to the problem of agrarian surplus population.

"Ownership by the Whole People"

The Chinese are fully aware that the logic Just analysed may not work in actual practice according to the neat theoretical design. They have emphasized in the resolution of December 10, 1958 the distinction between "socialist collective ownership" and "socialist ownership by the whole people". Collective ownership in the case of collective farms is socialist to the extent that the peasant's individual self-interest is subordinated to collective interest; but collective farms operating in isolation from one another may lead to exaggerated expression of the self-interest of collective farms at the expense of the interest of the "whole people". This is a fundamental contradiction which communists have not yet resolved. The Chinese think that the Commune marks the beginning of progress towards the resolution of this contradiction. But will not largely self-sufficient Communes show flux paroxysms and fail to subserve the common interest of the "whole people"?

In practice one way of emphasising "socialist ownership of the whole people" is to put the basic instruments of State power, such as the banks, stores and other enterprises owned by the people as a whole, under the management of Communes. Thus industrial and other undertakings, in the construction of which members of a Commune have taken part, have been placed under Commune management. There is risk in strengthening large Communes in this way; but the Chinese hope that it will be minimised by the establishment of federations of Communes. Nevertheless, they frankly admit that "the transition from collective ownership to ownership by the whole people" will be realised on a national scale "only after the lapse of a considerable time", depending upon economic development and the growth of political understanding. In any case, ideologically speaking, the Chinese are quite clear that it is not enough to rely on merely collective ownership. There is danger "if the existing collective ownership be left intact with the result that Commune members confine their attention to a relatively narrow scope of collective interests."

Adjustment of Economic Relations

The Chinese seem to be conscious of another difficulty which has arisen in China as in other communist countries, and which will continue to cause tension in the short period, although the Commune is expected to remove it in the long run. This is the difficulty of proper adjustment of economic relations between the town and the countryside. Wages and incomes and levels of living are higher in the cities than in the rural areas, owing, among other things, to the increasing tempo of industrialisation and the rise of man-hour output in the cities, while the countryside lags uncomfortably behind. In an under-developed country like China since industrialisation is still confined to comparatively isolated pockets in cities there is still the "backwash effect" (a la Myrdal) of industrialisation, which has not been entirely offset by the growth of output, and employment in the surrounding rural areas. One does not know whether the economic and social distance between the town and the countryside has in the result, diminished or increased in China. But, that there is economic disparity cannot be doubted. The resolution of December 10, 1958 says that "the policy of running industry and agriculture simultaneously and combining them, carried out by the People's Communes, has opened up a way to reduce the difference between town and countryside and between worker and peasant" (emphasis mine). We are told that "the reasons that wage levels in the city are generally higher than those in the countryside are many-sided and this is also a temporary situation which should be explained to the peasants. Some Commune members, apart from working in the villages, also receive money sent home by other family members who are away in the cities. Work should be done to dissuade other members from wrangling about this". These two extracts clearly underline the reality of the economic disparity between the urban and the rural sectors of the Chinese economy and the tension that it creates.

One may contend that if People's Communes are good enough for the countryside, they should also be good enough for the towns. We are told, however, that there are certain differences between town and countryside. "City conditions are more complex.... Bourgeois ideology is still fairly prevalent among many of the capitalists and intellectuals in the cities. they still have misgiv-
ings about the establishment of Communes—so we should wait a bit for them". Here is another problem which the Chinese plan of People's Communes merely brings out in clear perspective but for which it can find no solution, at any rate in the near future.

Marketable Surplus

It would be instructive to speculate on Peoples' Communes as part of the strategy of economic development. The Commune is designed to be the basic planning unit like a Community Development Block in India. But the distinctive feature of a Commune is that it must have its "own plan of production, exchange, consumption and accumulation". It must develop its own special features and its own initiative, although its own plan will be subordinated to the State plans. A Commune has to develop both industry and agriculture, with proper adaptation to local resources available. I have already discussed the rationale of the Chinese decision to go in for agro-industry in a big way in their Communes. For one thing, they desire broad based industrialisation in the predominantly agricultural rural areas to ensure concurrent increase of employment and output in both industry and agriculture in remote areas, so that, on the one hand, there is more substantial absorption of surplus manpower in agriculture, and on the other hand, there is better balancing of local supply and demand, as far as possible on a local or regional basis, in respect of foodgrains and manufactured consumer goods. The Chinese have realised that to maintain commodity balances and the balance between purchasing power and the supply of goods and services on a continental scale requires too elaborate a machinery of controls designed to even out supplies, curb effective demand or stimulate production in particular lines.

This does not mean that the Communes are going to be self-sufficient economic circuits, for this would be disastrous. That is why there is insistence on planning, on the basis of an extensive system of contracts of the exchange between the State and Communes and among the Communes themselves, which "must be greatly developed." To the extent to which the proportion of local products is thus brought within the scope of unified distribution by the State to that extent there is "marketable surplus" available for national purposes. The technique of forming federations of Communes and that of subordinating the Commune plan to the national plan and of an extensive system of contracts for stipulated supplies is perhaps designed to guarantee the planned increase of marketable surplus needed in the interest of the national plan. But how things work out in practice is not clear on the face of it.

Rural Industrialisation

The resolution of December 10, 1958 throws interesting side-light on Chinese thinking on rural industrialisation. We are told that "People's Communes must go in for industry in a big way". How is this possible in a vast agricultural country? The Communes have to have plans of "accumulation" or capital development. The emphasis is on "industrial production closely linked to agricultural production". On the one hand, industries supplying capital goods for agriculture (fertilisers, insecticides, implements, building materials, etc) must be located in Communes. It is understood that "Peoples' Communes should develop self-supporting production which directly meet their own needs". One may infer, therefore, that production of these capital goods will be on small scale. On the other hand, "the processing and many-sided use of agricultural produce" (manufacture of sugar, textiles and paper, for example) will also be organised on small scale. Mention is also made of mining, metallurgy, electric power and other light and heavy industries, as falling within the purview of Communes. It may be mentioned that capital goods and intermediate products are being manufactured locally and on small scale in China. Self-supporting industrial production also means that as far as possible the prospect of obtaining local raw materials should be fully taken into consideration in planning industries.

As regards techniques of production, the Chinese planning philosophy shows commendable eclecticism which one does not come across in usual orthodox communist literature. It is not commonly known that Marx was appreciative of the peculiar combination of small industry and agriculture in Indian village communities before the period of the British rule. But his followers in the West have not displayed his broad vision in this respect. It is therefore refreshing to read the following extract in the Resolution of December 10, 1958: "With regard to production techniques, the principle should be carried out of linking handicraft with mechanised industry, and crude methods with modern methods. All handicraft industries which have good foundations and prospects for expansion must continue to be developed, and gradually carry through the necessary technical transformation. The mechanised industries must also make full use of iron, steel, lathes and other raw materials and equipment produced by native methods and employ native methods themselves; and gradually advance from crude to modern industries, from small to large enterprises and from a low to a high level."