

THE CHINESE ROAD TO SOCIALISM

Economics of the Cultural Revolution

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Foreword by Joan Robinson



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APPROACHING THE CHINESE ECONOMY

How does an economist obtain impressions of an economy? He reads as much as he can of what has been written by other economists on the subject. He studies the official statistics and publications put out by the government and other institutions. He talks to the country's economists. He moves around as much as he can, visiting various units of production over as wide a field as possible. In his travels, he "sniffs the economic atmosphere," which means that he utilizes his previous experiences and observes the condition of the people—whether they appear well fed and healthy, whether there appears to be substantial unemployment (real or disguised), the absence or presence of beggars, standards of cleanliness and hygiene, the quality and range of consumer goods in the shops, other products exhibited in trade fairs and elsewhere, the standard of public housing, the clothing of the people, the leisure habits of the people, and so on. All this is patently subjective, but an experienced observer can use his eyes, his ears, and his nose to supplement his conversation and his study to good effect, in order to get the "feel" of the economy.

The coauthors of this book had the opportunity to do this, each for a period of two months, in two separate visits to the People's Republic of China; Wheelwright in November and December 1966 and McFarlane in April and May 1968. The second trip was designed partly as a follow-up or "in-depth" study of enterprises and communes visited on the first one, and partly to study examples of new economic institutions working under the influence of the Great Proletarian Cultural Revolution.

The aim in both cases was to see big and small communes in cities and in remote areas, large and small enterprises in cities and in country towns, in order to assess the impact of the Cultural

Revolution on economic policy, planning, technology, and production. Both authors also had numerous and illuminating discussions with theoretical economists, political scientists, and ideologists.

IDEOLOGICAL AND SOCIAL FACTORS

What were the main issues we were trying to understand?

First, the broad political, social, and cultural factors which are so important in the Chinese economy. Second, how these operate in detail. In particular, how the spread of Maoism has affected attitudes, incentives, organization, production, efficiency, quantity, and quality; in other words, how the myriads of decision-making bodies are being motivated in such an enormous and populous country, which operates a considerably decentralized planned economy. Our approach was conditioned by the conviction that it is not sensible to look at China through the prism of Western textbook economics, or some "command economy" model constructed by "Kremlinologists," and alleged to be suitable for analyzing the Chinese economy. The textbooks, for example, throw no light on how a socialist economy combines investment planning with the devolution of detailed implementation of plans. Our approach was to examine the institutions which the Chinese State has set up to solve its economic problems and to distribute the power of decision-making. Moreover, we became aware, as the analysis and inspections proceeded, that the performance of the Chinese economy cannot be judged by purely economic standards, such as real productivity per man-hour or rate of return to the State on invested capital, *because noneconomic aims are being "fed" into the planning system.*

Without anticipating the arguments to be developed in this book, we might mention, among these noneconomic objectives, the fear of war, the desire to resist excessive bureaucratic control, the belief in a certain kind of morality, and a revolt against certain imperatives stemming from industrialization.

We have been particularly interested in two questions—in the problem of the relationship between moral and material incentives in the economy, and in the economic element in the Cultural

Revolution, which we have discerned to be the promotion of the human factor in economic development, that is, the breaking down of the great gulf between a senior élite group of technocrats, managers, and Party administrators, on the one hand, and the mass of peasants and workers, on the other. These issues formed the framework of our inquiry.

Substance was added to this framework by directing attention to certain particular issues:

(1) How does the planning mechanism work—"who" or "what" is the "State," in each particular case where a factory or commune has dealings with a higher authority? What is the relationship between each economic unit and the various planning echelons? How much autonomy has each got? Which matters is each free to decide for itself and which not? How is agreement reached between those in charge of the economic unit and the planners? How much autonomy do communes have in comparison with factories?

(2) What is the relative scope for central decisions, market forces, and decentralized decisions? What marketing arrangements exist and to what extent do moral rather than financial incentives influence marketing?

(3) What is the organizational structure of communes, factories, municipal councils, district councils? Who is in authority and how did they get there?

(4) What is the wage spread in factories? How far do financial incentives operate within factories? What role do ordinary workers play in the organization of production, farming, and commerce?

(5) What particular examples—favorable and unfavorable—of reorganization and technological change exist, to illustrate the influence of Maoism and of the Cultural Revolution?

(6) How do the organization and the motivation of the Chinese economy today compare with earlier periods of Chinese economic development?

Mao and the Chinese Communists "make history," but they do so within certain restraints and constraints. As Engels said in his letter to Bloch: "We make our own history, but in the first place under very definite presuppositions and conditions." A "restraint" on modern Chinese economics is China's economic backwardness

and the need to create incentives. Other restraints on policy are China's defense needs, and the problem of regionalism with its great historical importance. Finally, there is the all-pervading influence of Chinese morality, history, and culture.

We have been conscious of the fact that China is, above all, a socialist State which has been profoundly influenced by developments in the Soviet Union. The Chinese people were influenced not only by the October Revolution itself, but by the ideas which came out of it and, in recent times, many Chinese have been influenced by what they call the negative example of the development of the Soviet Union since Stalin's death. For Mao Tse-tung's followers, socialism is not merely an engine of industrialization—a means to an end; it is the end itself—a society with high moral standards and a certain style of collective living. Much of contemporary Chinese development can be seen as an attempt to avoid the élite spirit that has characterized other communist regimes, and an attempt also to avoid the mediocrity of a centralized and bureaucratic power system. In a sense, China is trying to give an answer opposite to that of the Soviet Union, especially in the sphere of technological administration, incentives, and mass participation.

The fact that China is a socialist society makes it necessary to isolate and discuss carefully the processes at work in the three different forms of ownership: state, communal, and cooperative. Many people in the West find difficulty in understanding certain aspects of Chinese planning and organization (income distribution, pricing, marketing) because they fail to differentiate these forms.

A major difficulty in explaining the Chinese system lies in the morality—especially as revealed in the thought of Mao Tse-tung, on the one hand, and in the impact of Chinese civilization on China's communism and its value system, on the other. Thus the notion of "serve the people" and the general Maoist fervor do not lend themselves to rigorous analysis. Western academics tend to find them personally embarrassing. Anna Louise Strong has pointed also to the difficulty that Chinese views and exhortations, when translated into English, just do not sound right. To give a simple

example—the Chinese character for "bad elements" consists of four separate pictures: ox, devil, snake, and god. In English, this is apt to read "freaks, ghosts, monsters, and demons," which means that language barriers are not always overcome by translation. Other aspects of current Chinese morality are met with incredulity in the West. How does reading Mao's thoughts help a peasant commune to grow better cabbages? This is a typical Western reaction to the waving and reading of the "little red book" of quotations from Mao Tse-tung. The answer lies in the *content* of that "little red book." For the peasants of China, it is an instruction to apply scientific principles; an instruction to learn from veteran workers; an exhortation to work with persistence, overcoming all difficulties, for the good of the society, for the international revolution. If all of these thoughts are really applied in a particular case, the peasants concerned probably *will* grow better cabbages!

The visitor to China also is confronted with a number of local Communist conventions. Emphasis is given to the "three constantly read articles"—Mao's "Serve the People," "In Memory of Norman Bethune," and "The Foolish Old Man Who Removed the Mountain." The last is a fable used by Mao to eradicate colonial cultural inferiority and to inspire faith and confidence in the people's ability to undertake enormous tasks. The others are parables pointing up the moral of working selflessly and, if necessary, dying for the common good. They are attempts to eradicate a selfish, bourgeois, individualistic, competitive morality, and to substitute for it a collectivist, selfless attitude.

Emphasis is also given to the "three constantly read old quotations" and the "three constantly read new quotations." The former comprise:

(1) "The force at the core leading our cause forward is the Chinese Communist Party. The theoretical basis guiding our thinking is Marxism-Leninism."

(2) "We must have faith in the masses and we must have faith in the Party. These are two cardinal principles. If we doubt these principles we shall accomplish nothing."

(3) "Policy and tactics are the life of the Party; leading com-

rades at all levels must give them full attention and must never on any account be negligent."

The "three constantly read new quotations" are:

(1) "You must concern yourselves with State affairs and carry the Great Proletarian Cultural Revolution through to the end."

(2) "Don't rest on your laurels, make new contributions."

(3) "Fight self, repudiate revisionism!"

These articles and quotations—together with ritual readings from the "little red book," several specially written songs ("Sailing the Seas Depends on the Helmsman," "The East Is Red," "Wish Chairman Mao a Long Life!," "Golden Mountain in Peking," and "Long Live Chairman Mao!"), and Mao's "latest instructions" *—play a key part in the spreading of moral incentives. Every society needs a morality which suits its economic development, as Tawney argued in *Religion and the Rise of Capitalism*. Britain had Adam Smith's "Invisible Hand" of self-interest, as the mainspring of its industrialization, which was regulated by competition, so that "private vice became public virtue," as Mandeville put it. For China, Mao presents himself, and the socialist morality he preaches, as the visible bond linking decisions and motivating producers.

The modern Chinese identification of morals, politics, and government is not new, especially among leading statesmen in Chinese political history. Westerners simply do not have this view of politics and find it almost incomprehensible. However, a number of Western anthropologists and sociologists recently have been upgrading the role of the human factor (and therefore, in part, of nonfinancial incentives) in economic development, and pointing to problems caused by the lack of a bond between people and government—a lack arising from the great gulf between élites and the mass of peasants.¹

* The "latest instructions" are sometimes directives from Mao personally, and sometimes quotations from unsigned newspaper editorials by Mao. During the Cultural Revolution, their constant reiteration in press, radio, and mass readings gave them a hypnotic, even magical, character which had to be seen and heard to be believed. A collection of these "latest instructions" appears in the Appendix.

ETHICS, POLITICS, AND GOVERNMENT

Traditionally, Chinese statesmen have identified ethics, politics, and government, and have advocated a moral factor in public administration. Confucius exhorted the rulers to be benevolent to the people and to avoid excessive exploitation; he paid great attention to ethics and demanded strict rules governing the attitudes of inferiors and superiors. Emperor Wen, first of the Sui dynasty, attempted to introduce political reform, improvements in the penal code, and the right of appeal to higher courts in litigation. He also distributed land according to a land equalization system. The influential author Wu Ching-tzu, in *The Scholars*, written in the Ching dynasty, criticized the pursuit of fame and wealth on the part of officials, landlords, and "scholar despots."

Mao Tse-tung and his followers in the Cultural Revolution are firmly in this tradition as far as ideology is concerned. Mao's basic message, repeated in article after article, is the need to "serve the people wholeheartedly and never for a moment divorce ourselves from the masses, to proceed in all cases from the interests of the people and not from one's self-interest or from the interests of a small group."² This injunction of 1945 followed similar advice in the 1920's and 1930's to his followers and to the People's Liberation Army. The corollary was that "The organs of the state must practise democratic centralism, they must rely on the masses and their personnel must serve the people."³ In 1967–1968, the same emphasis prevailed. Two of his "latest instructions" were "fight self" (January 1967)—issued to the Red Guards as an answer to their question about resolving internal differences; and the corollary: "The most fundamental principle in the reform of the state organs is that they must keep in contact with the masses" (April 1968).

The ex cathedra statements of "the great leader, great helmsman, great supreme commander" were of importance in themselves as an influence on economic development, whatever one may think of their practical application. They led, for example, to the abolition of financial rewards, premiums, bonuses, and piecework in Chinese factories in 1967–1968, and to a new motif for stimulating

output, so that a supply and marketing cooperative could announce in 1968 that "Our relations with our customers are not business or monetary relations, they are class relations, political relations; when we serve the people wholeheartedly, we are helping to consolidate our proletarian power."⁴

It is not possible to assess the significance of developments in Chinese planning and organization after 1966, unless due weight is given to the presence of ethics in Chinese public administration. For, as Joan Robinson points out, Chinese communes do not keep a clear distinction between the profit *motive* as a stimulus to individual energy, and the profit *criterion* as a measure of achievement: "The objection to profit as a criterion is largely ethical, even thinking in terms of profit in the abstract may be corrupting."⁵

THE HISTORICAL PRESENT

Contemporary social and economic development in China is not sharply divided from history, as shown by allusions to ancient stories, traditional expressions, and language conventions. One of the authors inquired as to how a particular group of workers had been able to overthrow an especially powerful manager at the Shanghai Diesel Pumps and Motors Plant. He met with the following reply: "The golden monkey wrathfully swings his magic cudgel and the jade-like firmament is cleared of dust!"

To understand this answer one had to know two things. First, there exists a very popular ancient story written in the fourteenth century by Wu Chen-en, called "Pilgrimage to the West." It is set in the Tan dynasty (680-907) and is part fact, part legend. The factual part deals with the journey of Tung Chung, a Buddhist monk who traveled to India to find the Buddhist scriptures and remained there for thirty years. The mythical part deals with this monk's companions—another monk (Sa Ho-siang), a man with a pig's head (Chu Pa-che), and the monkey king. The monkey is very wise and tactically astute; he can change into seventy-two different forms and wields a magic cudgel which he can change at will into different sizes—very large, or as small as a needle so that it fits into his ear. Above all, he is very courageous and rebellious

and even dares to go to Heaven where he creates havoc and challenges the authority of the King of all Heaven, the Emperor of Jade.

The second thing one had to know in order to understand the reply of the workers is that in 1961 Mao Tse-tung wrote a poem called "In Company with Comrade Kuo Mo-jo." The veteran, Kuo Mo-jo, had seen a Peking Opera and written a poem about it. Mao's poem, in reply, mentions "monsters and freaks" doing evil to the people, being incorrigible and immune to reason. Two of the lines read:

The golden monkey wields the cudgel
and the dust of green jade rises everywhere.⁶

Their implication is that *it is justified to rebel and attack the strongest foes*. The background of Mao's attitude was the year 1961—the year of severe natural calamities in China, the Soviet's withdrawal of its technicians, blueprints, and contracts, and the growing pressure of the United States on China. Since then, the two lines quoted have been used by many people in connection with the Cultural Revolution. The Red Guards represent the monkey, Mao's thought represents the cudgel.

Another example of the wide use of Mao's poems in Cultural Revolution struggle is "Mayflies." Two of the lines read:

In a tiny group small flies are buzzing
and Mayflies lightly plot to topple the giant tree.⁷

Here the message seems to be that the reactionaries and imperialists—the mayflies—are plotting, but cannot undermine the revolutionary cause of the Chinese people.

Books which deal with the peasant revolution, and which are widely quoted in Mao's works and among the Chinese people, are *Story of the Three Kingdoms* and *All Men Are Brothers* or *Stories from the Marshy Lands*. The *Three Kingdoms* was written in the thirteenth century and deals with events taking place in 184-280, notably the Yellow Towel Revolt of the peasants against the East Han dynasty. The revolt was repressed, but the dynasty collapsed and broke up into three kingdoms. There are many peasant heroes in the story, as well as Chu Kuo-liang, one of China's great military

strategists, a scientist, technologist, and statesman greatly admired by Mao. The Chinese people tend to refer to the *Three Kingdoms* when warning officials against repression and exploitation, and they have referred to it often, for in China there developed an agrarian bureaucracy, upon which the landed élite depended for the preservation of its control over the peasant population. Chinese history has been punctuated by periodic and widespread rebellions. The ones launched in the 1920's and 1930's finally produced a thorough social revolution in which the peasants furnished the main driving force behind the victory of a party dedicated to achieving a supposedly inevitable phase of history in which the peasantry would cease to exist.⁸ The peasant revolts portrayed in the *Three Kingdoms* are referred to by Mao Tse-tung in his article "The Chinese Revolution and the Communist Party of China," and in his *On Practice*.

All Men Are Brothers, written by Xy Nai-An in the twelfth century, deals with the period 1120–1128 of the North Sun dynasty. It shows how this dynasty, under pressure of attacks from people of the Kin nationality, pursued a ruthless taxation policy to fight its wars, and thus sparked a peasant revolt led by Sun Kiang, who set up a revolutionary base area in the marshlands of Shantung Province, and exercised a policy of robbing the rich to help the poor. Mao refers to the novel in his *On Contradictions*. In the Cultural Revolution struggles of 1966–1968, many press articles referred to "the strategy used by the imitation foreign devil"—an allusion to *The True Story of Ah Q*, and aimed at the idea that revolution should be permitted only under official approval.

One also has to take into account the enormous popularity of Mao's slogans with the masses insofar as the slogans are expressed in the aesthetically pleasing classical style of groups of four and eight Chinese characters: "fight self, repudiate revisionism" (four characters) and "a single spark can light a prairie fire" (eight characters). Echoes of this can be found in exhortations to pursue the "three-eight" working style (which in Chinese is written in three phrases and eight additional characters). It indicates firm, correct political orientation; a plain, hard-working manner; flexibility in strategy and tactics; and unity, alertness, and liveliness. (The "eight characters," incidentally, were a method of fortune-

telling in China based on the examination of the two cyclic characters for each year, month, day, and hour of a person's birth.) The Cultural Revolution has seen the consistent promotion of the "four firsts": the slogan that first place must be given to man in handling the relationship between man and weapons; to political work in handling the relationship between political and other work; to ideological work in relation to the other aspects of political work; and, in ideological work, to the ideas currently in a person's mind as distinguished from ideas in books. The Socialist Education Movement of 1963 also featured the "four clean-ups," in politics, ideology, organization, economy, while the Cultural Revolution saw many demands to destroy the "four olds" (culture, ideas, custom, and habit) and to replace them with "four news" covering the same phenomena.

Much of what Westerners complain of in the Cultural Revolution, or find perplexing, has its origins deep in Chinese history and culture. Take the repeated slogan "Mao Tse-tung *wansui!*" The Chinese word "*wansui*" is used for "long live," but literally means "ten thousand years," and was the traditional salute to the emperor; it had become a synonym for "emperor." Or take the "inexplicable" fact that many leading Communists have been publicly attacked, even humiliated, but remain at their posts, or reappear after a period of political disgrace. As Hegel points out in his *Philosophy of History*, "No subject in China was too exalted to receive stripes"; princes and officials were equally punished, so that "equality of them all before the Emperor meant that all were equally degraded." Disgrace of an individual was not followed by his demise; the blows received were for discipline rather than punishment. Analogies with the treatment of high State and Party officials during the Great Proletarian Cultural Revolution are obvious.

Another thread connecting the Cultural Revolution with history and culture is the all-important question of regionalism, or what Chi Chao-ting has called "key economic areas."⁹ The existence of key economic areas motivated the geographical differentiation in the land system and methods of taxation, and accentuated the natural tendency toward uneven regional development. Differences in the land system, taxation, and the degree of development

of commercial and usurious capital meant differences in the social characteristics and power of the local ruling groups, differences in the degree of exploitation, and differences in the conditions of life of the peasants.¹⁰ The attempts of rulers and their local representatives to change the boundaries between public and private landholdings in various regions had social consequences, and localized revolt often followed. As Chi Chao-ting put it:

When a socio-economic cycle, which usually coincided with a dynastic period drew to a close, when exploitation of the peasants increased and production declined, when extravagance and corruption weakened the ruling power, and when bankruptcy faced the government and starvation confronted the pauperized population, the peasants usually took the road of rebellion, refusing to pay rent, taxes and debts, harassing and expropriating the rich and sacking centres of political power and administration.¹¹

In other words, regional autonomy and its association with peasant revolt has been a big influence on Chinese history.¹² Rebellion has flared when a certain sort of regionalism has been allowed to emerge. The pattern of the Chin, Han, and Tang dynasties was that economic development and public administration tended to cluster in the regional cities, where the government was strong. In the countryside, however, warlords arose to replace the weaker regional units of the central government. They, in turn, suppressed the peasants who were driven to rebellion. The importance of regional development in Chinese history has not been lost on Mao Tse-tung.

In the 1960's Mao tried to avoid a repetition of earlier historical patterns by linking regional Maoist groups with the "center"; through ideology and the army he tried to link them more and more with the Cultural Revolution Group under the Party Central Committee in Peking. That is why he allowed regional autonomy to grow only to a certain point and then, in the Cultural Revolution, cracked down on semi-independent "kingdoms"—notably Szechuan and Kwangtung. Take the case of the Southeast Bureau of the Communist Party of China. The former Secretary of the Center-South Bureau, Tao Chu, was responsible for administering the affairs of 200 million Chinese from Fukien (opposite Formosa)

to the Vietnamese border. He had direct control of the dollars of foreign exchange coming in yearly from H. Until September 1967, he was never accused of being a "rightist". In fact, he was known as a "leftist" who promoted the Leap Forward of 1958-1959 and the communes (which he lauded in his book, *People's Communes Forge Ahead*, published in 1964). Tao Chu, in August 1966, was also a member of the Central Party Secretariat; he was called to Peking to join the Cultural Revolution Group under the Party Central Committee, and became Director of the Propaganda Department. After this brief admittance to the proletarian headquarters, he was dropped in mid-1967. Clearly, he had been called away from the Central-South area to enable Mao's supporters to break up his regional power base. His successor, Wang Jen-chung, Secretary of the Hupei Party Committee and then Secretary of the Center-South Bureau, met with the same fate.

Of the six first secretaries of the powerful regional bureaus of the Party, four were opposed in some way to the Cultural Revolution in 1966 or 1967: the First Secretary of the Southwest Bureau, Li Ching-chuan; the First Secretary of the Northwest Bureau, Liu Lan-tao; the First Secretary of the North, Li Hsueh-feng; and the First Secretary of the Center-South Bureau, Tao Chu, whose successor, Wang Jen-chung, followed the same course. In 1967-1968 the strongest opposition to the Cultural Revolution was encountered in Szechuan Province, where Lo Ching-chuan had built up a big local following; in Kwangtung Province, headquarters of Tao Chu; in Yunnan; and in Kwangsi. There are very interesting historical parallels here. Liang Chi-chao pointed out¹⁴ that "Whenever there were disturbances under Heaven (meaning in China) Szechuan was held by an independent ruler and it was always the last to lose its independence." There were eight occasions on which this happened in Chinese history after the fall of the Early Han dynasty (206 B.C.-A.D. 25). Other regions which are more or less integral units, when considered geographically and historically, are Shansi, and the Southeastern coastal provinces of Chekiang and Fukien. "Of the two regions, Shansi is strong in defence though weak in economic self-sufficiency, while Chekiang and Fukien are weaker in defence but strong in economic resources. Historically,

both have been seats of independent rulers for considerable lengths of time during periods of division. But these two regions were too close to the central domain to defy the central authority for long.”¹⁵

THE CHINESE REVOLUTION, AGRARIAN SOCIALISM,
AND THE PEOPLE'S LIBERATION ARMY

Any assessment of Chinese economic strategy after 1950 must begin by asking why the Chinese Revolution itself was successful. It is possible to advance the following reasons:

(1) It was not opposed by traditional religion; the bureaucratic social order associated with Confucianism could be overthrown, to allow for a radically new activation of the latent energies of ordinary people.

(2) China had experienced political and armed uprisings for decades—the Taiping, Boxer, and 1911 Revolts, and a new revolutionary working-class had been created in Canton, Shanghai, and Hong Kong.

(3) Mao evolved a new revolutionary strategy in tune with these conditions, surrounding the cities with peasants as the backbone of revolution.*

(4) Orthodox nationalism had led the country to economic disaster; there was an absence of ideological barriers; there was a chronic revolutionary situation, and a peasant strategy to deal with it—a unique constellation of forces favorable to agrarian communism.¹⁶

During the 1930's, the People's Liberation Army (PLA) had already taken part in communal production: “As a result, the conception of a Red Army performing the dual function of a mass army and a mass labour force was successfully implemented. The soldiers were taught not only to fight battles but were made to reclaim waste land for cultivation.”¹⁷

* A constant theme at all lectures delivered at revolutionary “shrines” in contemporary China is that the Russian Revolution involved the city surrounding the towns, whereas the Chinese Revolution hit first at the countryside where the rule of capital was weak. The Mao stronghold of the 1920's, Chingshan Mountains, is held up as the first rural revolutionary base area in modern history.

This did two things—it initiated the commune¹⁸ system and gave a leading place to the PLA in promoting new social relations and production. The last was of the greatest importance to Mao Tse-tung. His policy was that “As long as the army on its part does this job well, the local government and the people will also improve their relations with the army.”¹⁹ He pointed out that “Production by the army for its own support has improved the army's living conditions and lightened the burden on the people.”²⁰ He gave as an example the fact that “In recent years our army units in the border region have undertaken production on a big scale to provide themselves with ample food and clothing and there is a greater unity than ever within the army and between the army and the people.”²¹ The Great Leap Forward saw the army—a peasant army—taking a large part in public works, construction in agriculture, and in harvesting. The PLA's Chief of Staff, on November 21, 1957, ordered the dependents of officers to return to their native villages to “participate in socialist construction.”²² In 1958, army units were in the forefront of the antidrought works, and contributed 40 million days of agricultural and other labor during 1959.²³ In this sense, the PLA helped to implement a vast scheme of agrarian socialism.

During the Cultural Revolution the army has been a main proponent of Mao's call, issued at the Eleventh Plenum of the Central Committee of August 1966, to “grasp revolution and to promote production,” as well as to be a leading force in the “three-in-one” combination (cadres,* masses, and army) which formed the revolutionary committees, the Paris Commune type of administrative structures which proliferated in China in 1967–1968.

RECENT DEVELOPMENTS

We have tried to emphasize the ideological, cultural, and political aspects of Chinese civilization as it affects the economy, the social system, and the people. That is why this book is an exercise

* “Cadre,” in this book, is used for both the group and the individual engaged in leading political activity—a use in keeping with the Chinese word for cadre, *kanpu*.

in institutional economics or political economy and not a treatise for specialists or "China-watchers." This is not meant to imply that China is simply an inward-looking "special case." It is true that sometimes the statements of cadres and leaders give the impression that China is a closed continent turned in on itself with colossal economic, political, and cultural problems to resolve—problems which absorb the main interest of the leadership. However, there is also a strong internationalism in the ranks. Beyond the national and historical elements specific to the Chinese situation, the Chinese "road" runs through many areas faced by the communist movement as a whole: power, decision-making, bureaucracy, participation, industrialization, technology, and attitudes toward other social systems.

As to the Cultural Revolution itself, we have adopted the attitude that it cannot be understood as a clash of personalities, or as a power-struggle-at-the-top, muted by ideological noise. We have tried to see the elements in it which are relevant to understanding the present state of China's social and economic system: revolt against the power system which industrialization engenders; elements of Narodnik ideology*—even echoes of peasant anarchism and populism; the problem of regional versus central authority; and the role of communist parties as engines of industrialization.

Notes

1. See, for example, D. E. Novack and R. Leckachman, *Development and Society: The Dynamics of Economic Change* (New York: St. Martin's, 1964).
2. Mao Tse-tung, "On Coalition Government," *Selected Works* (Peking: Foreign Languages Press, 1961), Vol. III, p. 315.

* "Narodnik" refers to the Russian populist movement, influential after 1860, which sought to move directly from feudalism to agrarian socialism by developing the village "mir" system, in order to skip over the capitalist phase of Russian economic development.

3. Mao Tse-tung, *On the Correct Handling of Contradictions Among the People* (Peking: Foreign Languages Press, 1967).
4. "Supply and Marketing Co-operative Carries Forward Revolutionary Tradition," *Hsinua News Bulletin*, April 14, 1968.
5. Joan Robinson, "Planning and Development," review of "La Construction du Socialisme en Chine," *Co-Existence*, No. 4, 1964, p. 106.
6. See Jerome Ch'ên, *Mao and the Chinese Revolution* (London and New York: Oxford, 1965), p. 355.
7. *China Pictorial*, No. 1, 1968.
8. Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon, 1966), pp. 227, 482.
9. Chi Chao-ting, *Key Economic Areas in Chinese History* (London: 1936), p. xiii.
10. *Ibid.*, p. 148.
11. *Ibid.*, p. xiv.
12. Tung Chi-ming, *A Short History of China to 1840* (Peking: 1965), pp. 47–50, 114–115, 128–129.
13. According to charges by Canton Radio on December 6, 1967, Tao Chu had experimented in the Hsienchien Brigade of Shaho Commune in Kwangtung Province, with a scheme of redistribution of land to families according to their labor potential, and called it a "production responsibility system." He was also accused of promoting material ahead of spiritual progress in stating that "The idea of socialism is to use every means to ensure rapid national industrialisation." See *Far Eastern Economic Review*, February 1, 1968, p. 192.
14. Quoted in Chao-ting, *Key Economic Areas*, p. 31.
15. *Ibid.*, p. 33.
16. P. Worsley, *The Third World* (London: Weidenfeld and Nicholson, 1964), p. 94; and Barrington Moore, Jr., *Social Origins*, Ch. 9.
17. Ping-chia Kuo, *China, New Age and Outlook* (London: Penguin, 1960), p. 66.
18. "During the War of Resistance against Japan, for instance, an agricultural producers' co-operative of a socialist character appeared in Ansai county in northern Shensi." Mao Tse-tung, *On the Question of Agricultural Co-operation* (Peking: 1956), p. 3.
19. Mao Tse-tung, "Policy for Work in the Liberated Areas for 1946," *Selected Works*, Vol. IV, p. 77.

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20. Mao Tse-tung, "On Production by the Army," *Selected Works*, Vol. III, pp. 327-328.
21. Mao Tse-tung, "We Must Learn to Do Economic Work," *Selected Works*, Vol. III, pp. 243-244.
22. H. C. Hinton, "Intra-Party Politics and Economic Policy in Communist China," *World Politics*, July 1960, p. 513 n.
23. *Ibid.*, p. 523 n.

Chapter 1

ECONOMIC STRATEGY UP TO 1957¹

THE ECONOMIC SITUATION IN 1949

The economy inherited by the new regime was a shambles. Since the fall of the Manchu dynasty in 1911, extensive areas of China had been wracked by revolution, war, lordism, civil war, foreign invasion, and flood and famine. Industry and commerce had almost come to a standstill in major urban centers. The industrial base in Manchuria had been looted by the U.S.S.R. of more than \$2 billion worth of machinery and equipment. Dams, irrigation systems, and canals were in a state of disrepair. Railroad lines had been cut and recut by the contending armies. Inflation had ruined confidence in the money system. And finally, the population had suffered enormous casualties from both man made and natural disasters and was disorganised, half starved, and exhausted.²

In 1949 China was a poor and backward country. The modern industrial sector was small and predominantly foreign-owned. It was concentrated along the Eastern seaboard and in Manchuria, in a few large cities such as Shenyang, Harbin, Tientsin, and Shanghai, where foreigners had been able to obtain special privileges. It was mainly light industry, although the beginnings of heavy industry existed. Steel output never exceeded one million tons, and machine-building industries were almost nonexistent. A few modern power stations supplied electricity to the large cities, but in the countryside electricity was virtually unknown. The transport system was inadequate—only about 12,000 miles of railway existed, mostly in Manchuria and linking the cities on the Eastern seaboard. Vast areas of the country were inaccessible to motor vehicles.

Most manufactured goods in everyday use still were made by traditional methods, either in the home or in very small handicraft

Chapter 12

THE CHINESE "ROAD" TO SOCIALISM

SOME RIVAL INTERPRETATIONS

What are the main elements of the Chinese "road" to socialism, and how can we interpret them? These two questions center on the general topic of China's economic and social development.

Some Western commentators¹ like to describe policy differences and ideological clashes as a device by which individual leaders and factions simply legitimize the crudities of the power struggle. This was a typical explanation of the Cultural Revolution—however, only a partial one. Policy disputes spring also from political, economic, and social change, and disagreements about how rapid it should be; leaders are in fact conditioned by ideology. We are still left with the need to understand Chinese socialism (and the Cultural Revolution in particular) as a sociological and ideological phenomenon, and as an aspect of China's path to industrialization.

Another interpretation² seeks to downgrade the significance of Marxist-Leninist ideology and socialist aims in China. In this account, the Communist period of power is seen as merely an interlude in the long sweep of the development of a purely Chinese civilization, which is almost untouched by any particular regime. Marxism, in this view, is almost accidental—the way rulers and a section of the people express themselves in a particular period of time is part of a broad historical sweep. Although we have already drawn attention to the "Chineseness" of many of the policies being pursued in contemporary China, and pointed out historical parallels, such an interpretation would be going too far. It underates the specific power of Marxism to move the masses; in this respect Marxism in China must be likened to a kind of religious revivalist movement, producing cathartic experiences. Seen in this

way the present period appears qualitatively different from that of previous Chinese regimes.

A third interpretation, widely distributed over the various Marxist sects in the West, holds that Chinese socialism is simply a political aberration: it cannot be a "socialist" society since, on the criteria of Marxist theory, a certain set of social institutions and a certain level of productivity must be reached before any society can embark upon socialism.³ Hence China is seen as "Stalinism" rather than as "socialism"—the backwardness of China's economy ensuring a distorted version of traditional Marxism, and depending on a centralized conspiratorial apparatus of control which pursues primarily the development of its own interests as well as national power. Or Maoism is seen as a retreat into a pre-Marxian socialism of the Blanquist*-voluntarist kind,⁴ and the Cultural Revolution as an outbreak of revolutionary romanticism.

We shall discuss these views more fully later. Here it will suffice to note that Marx was talking about industrialized societies and wrote very little about peasant societies. In peasant societies, revolution, followed by the construction of socialist values, is at least possible (even if Marx doubted it). This vision is Mao Tse-tung's contribution, and it helps to explain why leadership of the world socialist movement is passing in part from the Soviet Union to China and other peasant countries. To follow the "purist" Marxist line to its logical conclusion it would be necessary to argue that all successful peasant revolutions which establish socialist societies (Cuba, Vietnam, Korea, as well as China) are historical "mistakes." This is a dogmatic approach, which Marx surely would have repudiated.

A common theme pursued by some Marxists and anti-Marxists alike is the "iceberg" theory. According to this, only a vanguard group of three percent of a country's total population is affected by ideology, by moral fervor, and nonfinancial incentives. This "tip of the iceberg" is thought to be unrepresentative, and the

* "Blanquist": after French revolutionary Louis Blanqui (1805-1881), who declared the need for permanent revolution as the necessary transit point to the abolition of class distinctions generally, and for conspiratorial activity in the short-term to overthrow the regime.

ninety-seven percent is assumed to want only material goods, and secretly to nurse self-interest. It will be noted that this iceberg theory amounts to saying that human nature does not change. But surely we have learned from a study of history that it does. Moreover this whole theory fails to distinguish between self-interest and selfishness, or to recognize that self-interest, at first harnessed to social ends, can itself be transformed. Stripped right down, the conservative iceberg theory amounts to an assumption that only a capitalist ethos is "natural" and immutable, an assumption on which anthropological and sociological studies have (as we saw in Chapter 8) cast considerable doubt.

We have not said that *everyone* in China is operating on a basis of intense moral fervor. We have said that the vanguard is trying to ensure that Chinese society does operate on this basis, and that in factories and communes the moral fervor does not appear to us to be a mere façade.

We believe that a genuine attempt is being made in China to construct a new morality, a new moral basis for living in socialist society, and on a scale unprecedented in the whole of human history. Can such massive ideological crusades have a deep and lasting effect on people's social values—stir men's souls to their very core—to use favorite Chinese terminology? We do not know. We can only report what we have seen and what we think of it. But one important factor must influence the outcome strongly; we have already noted that Mao, looking for an opportunity to launch reforms and revive revolutionary ideals in 1966, found it in student dissatisfaction. And about forty percent of the population is under the age of eighteen. The older generation may be more cynical and certainly less susceptible to changes in their moral values, but it would be hard for any honest observer of the Chinese scene to deny that the young do feel very strongly the influence of the ideological fervor. An old Chinese proverb says that to teach the old is like writing on water, but to teach the young is like writing on stone.

The attitude toward the Soviet Union which is widely held in China lends indirect support to our view. This is that in the Soviet Union a privileged group now holds power and seeks to perpetuate it by destroying revolutionary spirit, and developing

an ethos of self-interest and the consumer society. And it is argued that this would have happened in China if the Chinese had not learned from the Soviet experience.

Finally, there is the interpretation that Maoism (and specifically the Cultural Revolution) is a rejection of Marxism as a Westernizing movement, a reemergence of Chinese peasant anarchism, and of the Luddite Revolt against the machines.⁵ This is a challenging, even persuasive view, with much to recommend it. Certainly in our discussions with Chinese academics something similar to it was coming through. We shall analyze this view more fully below. Here let us note that it fails to account for some important aspects of the Cultural Revolution, which started in the cities and in the educational sphere. We have concluded, by contrast, that the Cultural Revolution was not the more narrow revolt of the peasantry against industry, but a broader and more general conflict between revolutionaries and technocrats over the kind of society desirable for China. That is, the Cultural Revolution is not just a crossroad on China's path to industrialization, but a crucial turning point on the Chinese road to socialism.

INDUSTRIALISM AND THE LOCATION OF POWER

Mao believes that a social destiny must be revealed to the Chinese people, and that they must be taught to love and desire that destiny with all the ardor of romantic youth. For the accomplishment of this end, there must exist a unity of action and thought such as common conviction alone cannot confer. Maoism is a sort of religion—a cult with a moral code of its own which holds meetings ("study classes") up and down the country in a genuine burst of religious enthusiasm.

No other meaning can be given to pronouncements such as, in Mao's "Serve the People": "The Chinese people are suffering; it is our duty to save them and we must exert ourselves in struggle. Wherever there is struggle there is sacrifice, and death is a common occurrence, but we have the interests of the people and the sufferings of the great majority at heart and when we die for the people it is a worthy death." Or such as, in his "latest instructions": "The comrades must be helped to remain modest, prudent

and free from arrogance and rashness in their style of work. The comrades must be helped to preserve the style of plain living and hard struggle" (1967). Or "We communists seek not official posts, but revolution. Every one of us must be a thoroughgoing revolutionary in spirit and we must never for a moment divorce ourselves from the masses" (April 1968).

Maoists hold that under the previous system (including the years 1952–1957 and 1962–1964), the tendency was to increase the power of the government apparatus and also to establish the ascendancy of the higher classes over the lower. Moreover, they have consistently warned that urban economic life is hierarchically structured. Under the new Maoist system, the aim is to combine the forces of society in such a way as to secure the successful execution of projects which improve the moral and material welfare of the populace; directions from the proletarian headquarters will take the place of commands of the Party, and the character of politics gradually will be transformed by concentrating attention upon matters affecting people's attitudes toward society.

Maoism is not a peasant anarchism, but contains elements of one, in its naive expression of enthusiasm for a new regime, based on a new spirit. There is also something of Babeuf's community of equals about it; it is in the tradition of those elements of Plato, Morley, and Godwin which attack the institution of property and demand social equality. In this, it has to grapple with two "enemies": the imperatives of technology and industrialism, and the concentration of power in the hands of those who promote them.

Maoists recognize that material abundance is made possible by large-scale technology and a sweeping division of labor. But they argue that if industry is allowed to follow its own logic—if technological expansion and economic growth become exclusive objectives to which others are sacrificed, and if politics is kept from interfering with the inner imperatives and "self-evident success" of industrial development, then men will find themselves deprived of effective freedom, even if they reap the indispensable Marxian material conditions of freedom. Men must, therefore, be freed not only from the necessity of eking out a living and finding the means of subsistence, but also from the imperatives of technology. If

they are not freed, then they will, as in the Soviet Union, succumb to a new group of governors—technicians who supply material comforts, directors who shape the responses of workers to technological needs. Maoists warn of the centralization of power, entailed by industrial society, and the need to check it by "relying on the masses." Mao said in 1957 that "The organs of state must practice democratic centralism, they must rely on the masses and their personnel must serve the people,"⁶ and, similarly, that: "The most fundamental principle in the reform of state organs is that they must keep in contact with the masses" (April 1968). He warns that the integrative planning of the manifold activities of an industrial complex requires the centralized governing of men and material; and that *inequality* of responsibility, *inequality* of participation in decisions is a basic condition of societies geared to technological imperatives. Therefore he attempts to suggest a political order which will satisfy the needs in factory and commune, for both material property *and* a meaningful group life, in the face of the necessarily hierarchical organization of industry and government.

To resolve the problem of the concentration of power, dominant political leaders will need to establish new channels of communication and create unique regulatory bodies. Members of a political élite may be challenged by such a process, and they will have to respond. They can resist it, drive it underground, or destroy it. Or, they may try to coopt the movement's leaders by granting them privileges or by accepting parts of its program. The nature of the leadership response is clearly a prime determinant of the tactics and strategies adopted in the economic sphere, of the kind of leadership arising within it, and of the ideological appeals developed by it. In China the established leadership was the Chinese Communist Party. The social movement against it thrown up by the Cultural Revolution was a coalition: youth, underprivileged peasants, those excluded from the education system, those uprooted by industrialism, and a Party minority led by Mao.

In the process, some sections of the Party apparatus were destroyed. In that respect the Communist Party of China (unlike the Communist Party of the Soviet Union) has failed to re-establish a strong central authority in the regions—as many em-

perors failed earlier. This can be shown by the way in which the Cultural Revolution developed. There was corruption and a partial reversion to "peasant seigneurism" in 1960–1965. A "rational" attack on this problem would have been a reform through the Party organs. When, by contrast, the attack took a populist form, this was an indication, in the clearest possible terms, of a tremendous loss of confidence in the Party structure.

Does the emergence of populism indicate that the Cultural Revolution signified the reemergence of peasant anarchism and the revolt against machinery? Probably this conclusion is too extreme. It is, perhaps, a natural one to draw. The Chinese industrial working class has something to gain from industry; it played a small role in the early stages of the Cultural Revolution. We should remember, however, that while the Chinese working class of the cities was important in the 1920's, it also played a small role in the rise to power of Mao, so that no Party faction could entrench itself with the aim of carrying on the sectional interests of the industrial working class. Moreover, beginning about July 1968, Mao began to involve the industrial working classes more and more in his Cultural Revolution and great strategic plan, with such "instructions" as: "It is essential to bring into full play the leading role of the working class in the great cultural revolution and in all fields of work. On its part, the working class should always raise its political consciousness in the course of struggle" (August 1968). And "In carrying out the proletarian revolution in education, it is essential to have working-class leadership; it is essential for the masses of workers to take part . . ." (September 1968). Besides this, the rural "mob," for the first time in history, have left records of their pamphlets—big character posters and newspapers—which give the outward impression of peasant revolt.

We may conclude, then, that the earlier absence of working-class initiative in the Cultural Revolution does not necessarily indicate that the Cultural Revolution is essentially a movement of peasant anarchism. This is not to deny the presence of strong feeling against industrialism as a way of life generally. The harsh realities of industrialization, Mao realizes, demand strong political leadership—not only to initiate and guide the course of economic development, *but to make it last*. As a consequence, many of the

policies and programs required for development are likely to be resisted—especially with the ploughing back of surplus into factories, and the growth of conveyor belt production, which means that further improvement in the basic diet, in health, education, and working conditions cannot materialize very quickly.

Mao is certainly in sympathy with resistance to *all-out, or crash, industrialization*; he sees its imperatives as being in conflict with many noneconomic aims he feels China should be pursuing. However this is not the same thing as the Luddite Revolt against technology (especially Western technology) *as such*. Rather, it expresses the desire to keep people in the communes by bringing them carefully rationed samples of the fruits of industrial society.

Such rationings of industrial society into the rural areas have a twofold objective: to bring material benefits to the peasant, and to prevent the dictatorship of the city over the countryside. Mao is saying that the Chinese Revolution was a *peasant* revolution from which the industrial urban workers benefited. Now that the Revolution is in its period of construction, the cities must not rule over the countryside, nor must the education system be dominated by the ethos of cities. Mao's Chinese followers here seem to be getting back to the earlier Marxist notion of breaking down the distinction between town and country life, and between worker and intellectual. According to Marx: "In communist society, where nobody has one exclusive field of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticise after dinner, just as I have a mind, without ever becoming hunter, fisherman, shepherd or critic."⁷ Marx also predicted the disappearance of intellectuals as a result of the victory of socialism, saying that philosophy will abolish itself by "realizing" itself.

Marx, then, seemed to hold that the division of labor of industrial society needs to be abolished in communist society. Mao wants to do this *now* by making a peasant also a worker, a soldier, and an intellectual. Most observers cannot understand this, since they view the world through the prism of specialization and maximization of material welfare.

The Chinese, however, have earlier historical lessons before them, from which to learn—and they are good at learning from “negative example.” In Britain in the early nineteenth century, there occurred an uprooting of agricultural laborers from the social milieu of the village, a migration of peasants from the village to the town where they found emotional bewilderment and despair. These rapidly growing industrial towns contained large numbers of casually employed laborers, who suffered materially and culturally. This is happening in India today and this the Chinese want to avoid; they are countering this threat by the process of creating a new kind of a peasantry, to be led into political action by a skilled minority vanguard group.

Or, again, take Russian experience in the nineteenth century. Eighty percent of Russian agriculture was owned by peasants but apportioned by a commune authority, partly appointed by the government and partly elected by the peasants. The weakness of this system was that the communes became the object of controversy among the rulers (the paternalists opposing those who wished to unleash capitalist farming), populists, and Marxists. The period before the 1917 Revolution saw rapid social differentiation and unrest and destroyed the possibility (dreamed of by the Narodniks) of skipping the capitalist stage and moving directly from backwardness to agrarian socialism. It seems to us that the Maoists also want to skip the capitalist stage of social differentiation and move directly to agrarian socialism, and that, for members of the Chinese communes, this is the significance of the events of 1958–1959 and 1966–1968.

CHINESE SOCIALISM IN WORLD SOCIALIST THOUGHT

In classical socialist writings four elements have been stressed: (1) public ownership of productive property; (2) an emphasis on equality, fellowship, and brotherhood; (3) maximum opportunity to select and reject people in authority; (4) equality of power over economic and political affairs.

It may fairly be said of the Chinese that whatever is lacking in their practice, their ideology has concentrated on the second, third, and fourth points much more than has the socialist doctrine of

Western political parties or of the Communist Party of the Soviet Union.

A fundamental axiom of Maoist thought is that public ownership is only a technical condition for solving the problems of Chinese society. In a deeper sense, the goal of Chinese socialism involves vast changes in human nature, in the way people relate to each other, to their work, and to society. The struggle to change material conditions, even in the most immediate sense, requires the struggle to change people, just as the struggle to change people depends on the ability to change the conditions under which men live and work. Mao differs from the Russians, and Liu Shao-chi’s group, in believing that these changes are simultaneous, not sequential. Concrete goals and human goals are separable only on paper—in practice they are the same. Once the basic essentials of food, clothing, and shelter for all have been achieved, it is not necessary to wait for higher productivity levels to be reached before attempting socialist ways of life.

Revolutionary élan, for Maoists, is the key, and when this flags, it is necessary to seek institutional means of pursuing a permanent revolution, to undertake struggles and reforms which will change people into revolutionaries with a collectivist outlook—for the task of socialism after the revolution is the same as building a socialist movement. As pointed out earlier, this emphasis on moral incentives is very Chinese. The ethical emphasis emerges in every history book. The Chinese traditionally identify politics, government, and morals; a continuing theme has been that the goodness of leaders leads to good government and good morals. Westerners just do not see politics in this way. In China, where ideas of “serve the people” have had a high place among the governing groups, moral incentives are not strange mechanisms for getting things done. Of course Mao is not *only* for moral incentives and Liu *only* for material ones. All societies need *both*. The question is *where does the emphasis lie?* In China between 1961 and 1965 the leaning on material incentives was excessive, and the Maoists felt and argued they couldn’t *afford* this policy because of its “demonstration effect.” It encourages a high consumption level and puts a strain on the rate of investment that can be carried out. More material incentives imply more inequal-

ity and the growth of a new social class. The ideological point is that such a policy works against the construction of socialist society.

Mao argues, then, that in the Chinese "vision," revolution and socialism imply something beyond the physical taking of power: a process of social change involving popular participation in development. He says that "class struggle" refers not merely to an economic condition. It is a struggle to achieve an equality of power within the political framework of the revolution. Therefore it is incorrect to state that the class struggle in China is over, simply because there has been a redistribution of economic wealth—there has not yet been a popular redistribution of political power. The heart and the direction of the Chinese Revolution is popular control over the administration of the State, involving overthrow of the Party and State apparatus, if necessary. And, as already discussed, Maoism is also a revolt against the imperatives of a more technological and industrial way of life. Concretely, this is shown by the process described earlier, by which productivity gains are sacrificed for medium industry, for "make your own lathes" policies. According to the Chinese, the aim of socialism is not the maximizing of economic growth. Once you have reached a level of adequate food, clothing, and shelter, you have a choice: to make socialism a mechanism for forced growth, or to consider socialism as a way of life. Here we are back in the realms of Aristotelian politics, of deciding what is the "good society" and what is the basis of its social organization and needs. The Chinese say, in effect: "We have got 'over the hump' and we can grow without borrowing. Looking at other socialist societies, we see that the Soviet Union is élitist. They have no diffusion of decision-making, and have experienced a loss of revolutionary drive which cuts them off from the rest of the world in the very era of the great world revolution."

The factor of an enormous population is important here. It is not possible centrally to control such a population, as Chinese history demonstrates. There must be a wide diffusion of initiative and considerable local autonomy. The attitudes of large masses of people are crucial, and enforcement is difficult. That is why the issue of motivation is all-pervasive. The government must either

bribe people to behave in a certain way through financial incentives, or encourage them to identify their work with the goals of the society.

After all, every society has both moral and material incentives; even in the West, many scientists, engineers, and managers do not operate solely on material incentives; they must cooperate and identify with the goals of the work place and society. In China, the cooperative approach is getting stronger; people are sent from a particular region to learn from other regions; the strong teach the weak and do not try to knock them out. Bourgeois economists, bred on a competitive morality, cannot see that this approach is evangelical and seeks to develop cooperative morality in people. In the West, people brought up to believe in individual, aggressive, competitive values cannot understand it; their social relations have become dominated by the fetishism of commodities and obscured by market relationships.

Western economists who ridicule the ethical aspects of Chinese development fail to look at economic and social development historically. For example, Adam Smith's *Wealth of Nations* preached, for the early stages of British capitalism, a spirit of self-interest, frugality, and parsimony; the Victorian period also emphasized thrift, and the virtues of sturdy independence and self help, as illustrated in the writings of Samuel Smiles. These, along with the values propagated by Methodism, the Salvation Army, and temperance societies were part of the ethical framework of the British capitalist system.

Just as capitalism needed an ideology and an ethical framework suited to its modus operandi, so does socialism. China is trying to substitute, for Adam Smith's principle of private interest guided by the "invisible hand" of competitive market forces as the controlling factor over production, quality, and technology, the visible bond of Mao Tse-tung's policy based on public interest and social cooperation. And this, of course, has to be accomplished within the Chinese context of a traditional identification of politics, law, and morality, within a civilization which invented public administration as we know it—a mandarin— and which evolved an ideology blending ethics and authoritarianism. Mao's procedure has been to "Sinify" a loose Marxist approach appropriate to a

basically peasant society. This has been called a "personality cult." But, as Edgar Snow has remarked:

The cult was Mao's strongest weapon in his struggle with Shao-ch'i. In one sense, the whole Cultural Revolution, the great purge of the revisionists, was a struggle over whether Mao would command a cult, or whether the Party bureaucracy would utilise the cult, putting Mao on a pedestal where he would have no power . . . Mao is called a visionary, because he adheres to the ideal of the socialist man, selflessly devoted to society and not to the old id or ego. And yet, in China, a leader without principle, and without pretensions to a universal truth or virtue, could not have held the mandate of Heaven—that is, ruled by consensus of the people—during this period. No doubt much of the cult may be retired by Mao's successors. But the China of the visible future will surely emerge as a new society bearing the imprint of Mao's unique personality.⁸

Notes

1. T. Wang, "Power Struggle in Peking: Plot and Counterplots," *Far Eastern Economic Review*, January 25, 1968. This article concludes, after much analysis, but quite incorrectly, that Chiang Ching and Kang Sheng had gone into eclipse and that "with the dawning of 1968 there were signs that power was once again where it had been before the cultural revolution was launched."
2. C. P. Fitzgerald, *The Chinese View of Their Place in the World* (London, New York: Oxford, 1964).
3. A number of Soviet books are shot through with this attitude. See, for example, the argument that "A man's capabilities are in the final analysis determined by . . . the level of development reached by industry, science, technology and culture. History has not given us an example of communal forms of ownership, which are survivals of the clan system, being able to engender a socialist society." V. Afanasyev, *Scientific Communism* (Moscow: 1967).
4. For this interpretation of Maoism see R. Schlesinger, "Socialism Self-Defined," *Monthly Review*, November 1967, p. 90.
5. Alice Teh, "Mystery of Maoland," *The Australian*, November 25, 1967.

6. Mao Tse-tung, *On the Correct Handling of Contradictions Among the People* (Peking: Foreign Languages Press, 1967).
7. Karl Marx and Friedrich Engels, *German Ideology* (New York: International Publishers, 1939), p. 22.
8. Edgar Snow, "Mao's Attributes," *The Listener*, May 29, 1969, p. 757.