Vol. 14, No. 1 January 1977 Price 8p

China Policy Study Group

BROADSHEET

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ENDING UNDER DEVELOPMENT: MAO TSE-TUNG'S WAY

In the course of intensified criticism of Teng Hsiao-ping as an 'unrepentant capitalist roader' the Chinese theoretical journal Red Flag *recently recalled Mao's 1956 report on ten major relationships which must never be neglected when a socialist society is being constructed. Proper attention to one of these relationships, that between the central and local authorities, prevents excessive bureaucracy and the exclusion of popular forces from effective control of local enterprises, said the journal.*

Another of the ten major relationships, that between industry and agriculture and between heavy and light industries, is pivotal in Mao's economic thinking. It is a relationship that must be observed in the overall planning of production and distribution, and therefore presupposes the existence of a socialist economic base. Many Third World countries would like to emulate China in developing light and heavy industry without weakening agriculture; and in creating the means to invest in heavy industry without restricting the output of consumer goods. They therefore declare their support for the principle of self-reliance, local initiative and responsibility in economic questions, and the maintenance of a good working balance between agriculture and industry and between light and heavy industry.

The test comes when an attempt is made to put the principles into practice, not singly and intermittently but all together and all the time. For this challenges feudal and capitalist survivals throughout society, at all levels, by conferring authority on those prepared to take an initiative needed for development. Economic policy comes out of the realm of the occult, the broader picture is opened up, there is no mystique any more about decisions and the reasons for taking them. Just as you cannot have socialism without mobilising the mass of the people so you will never get development until the people begin to take matters into their own hands, introduce the changes themselves, and see the results of them for themselves.

Today all continents without exception illustrate the conclusion urged by China that a country should build, or re-build, its way of life in the main on the basis of its own resources, not on the basis of the resources of others. Neither trade nor any other form of external dependence should determine its long-run strategy of development. If it does the result is not to develop, but to be turned into the adjunct of an outside power. The exception to this rule would be the country with the potential to become not just a power, but a superpower. The only one which has it — China — is here telling other developing countries how they can undermine the basis of all superpowerism, present or future.

Not many years ago such ideas were dismissed as an unwarranted projection outside China's frontiers of conclusions that fitted her own conditions. In retrospect the criticism seems superficial, the more so since at the time it was made China was not known to be oil-rich and had not yet embarked on the mechanisation of her agriculture without outside help. Mao Tse-tung was acknowledged as the leader of a nation's revolt against subjugation but totally discounted as an architect of its transformation into a developed country. He was, however, to live to see wide recognition of China's contribution to the release of the forces of development in the Third World. For the effective forces come from the ordinary people, whose concerted efforts can achieve and are already achieving what investment capital and international technical agencies attempted in vain to introduce by governmental schemes.

Without the example of China it would have been immeasurably harder for this truth to be grasped in any developing country. Mao understood the power of the people as opposed to the elite; and China demonstrated the strength of a nation moved forward by its people organising the resources of their own land. Thus where all the talk a few years ago was about assisting undeveloped countries 'to the point of take-off' at which they would begin to make headway themselves, the keynote has now shifted to 'the need for the developing countries to adopt policies reflecting their own social and economic conditions.' (This was even given first place in the summary of the recent series on 'Haves and Have-nots' in *The Sunday Times* on 23.5.1976. Formerly it did not rate a mention).

An inescapable strategy

The strategy for which Mao has repeatedly been denounced, in more industrialised countries, as an unscientific rural revolutionary has thus at last begun to appear inescapable: 'In contrast to the Western paradigm, where agriculture played a supporting role to urban industrialisation, industrialisation must now serve the needs of rural transformation.' (*ibid*, point 6) The change noticeable in bourgeois discussion of development is in reality part of the outside world's coming to terms with Mao Tse-tung, and with People's China, whose approach to the question is recognised as disquieting, possibly ominous, but at least not bankrupt.

It is disquieting because it rejects the capital-and-technology-intensive prescription of major injections of investment and modern construction, originating from outside the economy. The industrialised countries are not reluctant to continue offering this alternative for it brings good business and a means of keeping their image before the influential managerial strata of the developing countries. A reduction in the number of major engineering contracts in the Third World would be uniformly unwelcome in the USA, the Soviet Union and Western Europe. Yet it is clear that big aid plants are not the way to develop the *economy* of undeveloped countries, only their *capacity* in particular branches of industry. It is six years since a specialist in Chinese studies at Glasgow drew the attention of fellow-economists to the fact that it was Mao Tse-tung who had been the pioneer in getting rid of the engineer's view of development and adopting the economist's (he should have said adopting an approach based on political economy). This does not only mean seeing how labour may be turned into capital — as Mao did —

or how initiative and momentum can be diffused through a whole population by encouraging small-scale production and the use of traditional methods alongside modern ones — the 'intermediate technology' he called for and set going in the Great Leap Forward nearly twenty years ago. Nor is it only the conception that industrialisation need not mean urbanisation, that industry and agriculture should mingle everywhere.

All of these are implicit in a telling exposition of development theory dating from April 1956, *On the Ten Great Relationships.* Five of the relationships dealt with by Mao are of key importance in economic strategy, namely: between industry and agriculture and between heavy and light industries; between coastal and inland industries; between defence and economic construction; between the state, the productive units and the individual producer; and between the centre and the regions. But it is the first of them that goes to the nub of the difference between the economic strategy followed in the Soviet Union and that applied in China.

Paradox

There is no doubt that the Soviet Union suffered, even many years before it changed direction politically, from excessive concentration on the building of heavy industry at the cost of neglecting light industry, and squeezing agriculture very hard to extract the maximum surplus to provide funds for investment. Economists have called it the policy of draining the pond to catch the fish. China never made this mistake. 'We must take notice not to demand too much from the peasants,' Mao wrote later in the *Ten Great Relationships.* 'Unless under severe conditions of natural disasters, we must as far as agricultural production allows see to it that the peasant's income is higher than that of the previous year.'

'Do you seriously want to develop heavy industry?' asked Mao. 'If you do, it raises the question where the capital is coming from. Heavy industry itself can accumulate capital, but when you haven't got much heavy industry your source of capital is agriculture and light industry, above all light industry. So long as you are not very serious about heavy industry it is always possible to switch a little investment to it from light industry. But if you really want heavy industry badly then you must pay a lot more attention to light industry.'

How does this paradox come about? In a country which is mainly peasant should not the surplus be coming mainly from agriculture? The answer is of course that it is; but with a difference. However well-thought-out your system of land tenure, and however persuasive your socialist education, if the peasant sells his produce to the state for money and cannot turn the money into the things the family need — shoes, padded jackets, pots and pans, furniture, umbrellas, watches, a radio, bicycles — his life does not improve. If, however, every improvement in agriculture is translated reasonably quickly into an improvement in rural living standards, nothing will stop the peasants from tackling the most formidable obstacles. Since a great part of what they produce forms the raw material of light industry (textile fibres, hides and skins, tobacco leaf, food for canning, by-products for paper-making or upholstery), an impetus to agriculture soon becomes a further impetus to light industry. The essential thing is for the state to see the process from the range of vision of the economist, not from that of the middle-man. For although it is disguised as trade the issue is really the effects of interchange between the sectors, above all the rate of investment. Instead of paying the peasants less for their produce when the supply increases, the state maintains or raises its price, while lowering that of the finished goods sold back to the countryside. Naturally the supply increases again, more finished goods are produced and sold and larger funds created for investment. The capital for heavy industry comes from light industry which has drawn its working capital from agriculture.

In a socialist society the relationship between industry and agriculture is not exploitative and nowhere is this more evident than in the key role played by light industries in the early stages of development, when in Mao's words 'firstly, they can meet the needs of the people's livelihood and, secondly, they can accumulate more capital and faster.'

Mao foresaw the processes of development reproducing themselves on a constantly ascending level, but not as an automatic sequence. New elements had to be introduced by deliberate action. At the time of the Great Leap and in the Cultural Revolution eight years later there was a need to revolutionise people's attitudes. That has been done again in the course of making labour mobile over greater distances within China, and it is happening today in the countrywide campaign to modernise agriculture. There is no such thing as a development model independent of political leadership. Even if every one of Mao's ideas were adopted — in theory — by another Third World country attempting to follow the Chinese example (that is to say, after rooting out imperialism and laying a socialist economic base), there would still be endless storms and adverse currents to contend with and overcome. If revolutionary politics were not in full command, and the leadership not ready to assert itself at any time to forestall a retrograde move, the result would be neither socialism nor development.

This is part of the broader question of control of the economy and social motivation. When Myrdal and other students of the Third World acknowledged in the sixties that China was the one Third World country to have achieved a situation of self-sustaining development they did not overlook that it was also (the only) one in which the capitalists had been expropriated and the means of production put under the control of the people. The reason why development had faltered and stalled in other countries was that it came up against the 'institutional framework'. The same thing would have happened in China if the revolution under Mao's leadership had not rooted out the influence of the old institutions and maintained the utmost vigilance against their revival in new forms.

COMMENT

The following letter concerns the article 'Basis for Anti-Imperialist Unity' in our December issue.

There is a strange assertion in the passage comparing imperialist exploitation of the Third World with the elbowing-out of lesser imperialisms by bigger ones. The article says 'In doing all this imperialism is acting as it has always done in the Third World. Only now the superpowers bully and dominate the weaker Second World countries in this way.' (The author should not have said only 'the superpowers'; other powers do the same, e.g. Germany, and if the EEC could overcome its internal divisions it would assuredly be exercising stronger pressures against other Third World countries. But that need not deflect us from the article's argument.)

It is not correct to claim that this is a traditional method of imperialism in exploiting the Third World. It is a new tactic. Previously imperialism concentrated on turning the terms of trade against the developing countries (colonial countries as they were then). That forced them to work *more* for the same return. The coordinated squeeze being applied now relies on *reducing* productive capacity in the victim countries and this results in a transfer of resources from the workers to the capitalists *within* the country. The thing the two methods have in common is that they weaken the victim by bringing superior strength to bear on him. Otherwise they are different.

There is a further, and still more important, point. It is good to press for economic arrangements that bring Third World and Second World countries into alliance against the superpowers. But it is dangerous to imply that all the lesser imperialisms are interested in helping each other. For example, the last thing that some of Britain's non-superpower rivals want to see is the deployment of their resources for the purpose of salvaging the British economy, least of all the British 'state sector'. This is the latest reformist illusion. The workers of every capitalist country have to fight hard to force their capitalists into courses which strengthen the productive forces of the country, instead of just maximising the return on capital without regard to the longer-term interests of the nation. If their own capitalists are in a weak position they cannot count on support from those of other countries, who now see their chance of taking advantage of that weakness.

P.A.T.

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JUDGED BY DEEDS, NOT WORDS — 1

In last month's BROADSHEET we referred to the 'current situation' and the 'present debate' in China. The stark fact is that a period of political uncertainty following the death of Chairman Mao Tse-tung early in September ended a month later with the arrest of four leading members of the Chinese Communist Party and Government — Wang Hung-wen (a Vice-Chairman of the Party), Chang Chun-chiao (member of the Standing Committee of the Political Bureau, Vice-Premier and Head of the General Political Department of the People's Liberation Army), Chiang Ching and Yao Wen-yuan (both members of the Political Bureau).

Since the start of the Cultural Revolution over ten years ago, Marxist students of China have always explained political struggle there as class struggle, frequently manifesting itself in new forms. The revisionism of Liu Shao-chi and his followers was progressively exposed after he had been effectively removed from power in 1966, but it was two years before he was formally denounced as a 'renegade, traitor and scab', and officially dismissed, in 1968.

With Lin Piao the case was very different. The nature of the crisis of September 1971 was not apparent at the time, and the news, (which soon became known unofficially in China) that he had died in a plane crash while attempting to flee to the Soviet Union was not confirmed officially until the Tenth Party Congress in August 1973. The Report delivered by Premier Chou En-lai on behalf of the Central Committee to the 10th Congress contained a brief summary of Lin's career, including the significant sentence.

> On his part there was a process of development and self-exposure, and on our part there was also a process of getting to know him.

This might have been said of Liu Shao-chi, and may be said in future of the Four. Lin was officially branded as a 'bourgeois careerist, conspirator, double-dealer, renegade and traitor', and a campaign of criticism against him and Confucius jointly was later developed.

The struggles against Liu Shao-chi and Lin Piao were the ninth and tenth of 'ten major struggles' referred to in Chou En-lai's Report (see BROADSHEET, November 1973). The story of Lin's conspiracy and fall, though convincing in its circumstantial detail, came as a shock at the time, and left a good deal unexplained. Through the campaigns that followed it we were gradually able to gain some understanding of Lin's development, in the guise of a revolutionary, from revisionist to traitor.

Very recently, there has been the case of Teng Hsiao-ping, whose errors were openly rightist. For this reason, and because a campaign against his errors had been conducted for some months before Teng fell in April, some Marxist students of Chinese politics found it easy to understand and accept his fall. But suddenly, only six months later, not one but four Party and state leaders, his chief critics, all of whom had played leading parts in the Cultural Revolution, were suddenly branded as an anti-Party clique — the 'Gang of Four' — and arrested. What had happened?

Some people outside China jumped to the conclusion that a shift to the right, if not a right-wing coup, had taken place. This view was based on the common estimate that the Four had been in the vanguard of the Cultural Revolution, and that two of them at least were leading Marxist theorists and exponents of Mao Tse-tung Thought. Of the two older ones (both of whose careers dated back over 40 years), Chiang Ching, besides being the wife of Mao, was regarded as a pioneer of proletarian art, and Chang Chun-chiao was the author of a well-known article 'On Exercising All-Round Dictatorship Over the Bourgeoisie' (*Red Flag* No. 4, 1975, *Peking Review* 4 April 1975). Of the two younger, Wang Hung-wen was a worker who had come to the fore in Shanghai early in the Cultural Revolution, and in 1973, in an unprecedentedly swift rise to fame, had become Vice-Chairman of the Party; the other, Yao Wen-yuan, had spear-headed the polemics in the early stages of the Cultural Revolution, and in *Red Flag* No. 3, 1975 (*Peking Review*, 7 March) had published 'On the Social Basis of the Lin Piao Anti-Party Clique'. Outside China at least, this article and that of Chang a month later were regarded as important contributions to the study of the theory of the dictatorship of the proletariat initiated by Chairman Mao in February 1975.

What then are the Four accused of?

In the traditional way, a whole series of general charges — mostly of the utmost gravity — have been brought against them. The accusations are worded differently in different documents and are not always placed in the same order.

The basic charge, to which all others are subordinate, is that the Four conspired to usurp Party and state power.

> Wang-Chang-Chiang-Yao had long formed a cabal, the 'gang of four', engaged in factional activities to split the Party. The great leader Chairman Mao was aware of this long ago and severely criticised them and tried to educate them again and again. And he made some arrangements to solve this problem.
>
> ('Great Historic Victory', joint editorial 25 October, *Peking Review*, 29 October).

Chairman Mao is quoted in this editorial as having repeatedly warned them against forming a faction of four, and as having said that this question would have to be settled sooner or later.

There are unofficial reports that up to the first week of October it was touch and go whether there would be civil war or not, but the most striking feature of all reports from China since the downfall of the Four is the extraordinary outburst of spontaneous rejoicing — unprecedented since Liberation — with which the news was greeted by the overwhelming majority of the Chinese people. All observers, whether friendly or detached, Chinese or foreign, residents or visitors, are agreed on this. The raising of the political consciousness of the masses of the Chinese people since the Cultural Revolution is attested to by virtually everyone who has had the opportunity of meeting and discussing with them. Even though we may not — and indeed outside China cannot — yet fully understand everything that underlies their rejoicing, is not this a case in which we should attach great importance to the opinions of the masses?

In any event, the masses, in the communes, industry, the Army, education, and the arts, are telling us, through the Chinese media, why they rejoiced. As more and more reports of the behaviour of the Four in all these fields are published, it becomes clear not only that they exceeded their authority and tyrannised over people everywhere but that they are widely criticised for having lived in an extravagantly bourgeois style and lost touch with the feeling of the masses.

However much stories about the personal life-style of the Four may have influenced people against them, it is more important to consider their political line. As yet, it is difficult to discern a consistent theoretical line but in practice their line was to oppose Premier Chou En-lai, whom the vast majority of Chinese respected and loved as a great proletarian revolutionary and loyal comrade of Chairman Mao. On the face of it, the Four were the most zealous advocates of Mao Tse-tung's line, but what do we find in practice? No matter whether they concerned themselves with industry or agriculture, education, culture or the army, they seem to have aroused antagonism.

> Wherever they went, they brought bourgeois factionalism and splits to undermine Party leadership and split the ranks of the working class.
>
> ('"Gang of Four": A Scourge of the Nation' by Jen Ping, *People's Daily*, 14 November, *Peking Review*, 26 November).

Production

The article just cited quotes Mao Tse-tung:

> Class struggle, the struggle for production and scientific experiment are the three great revolutionary movements for building a mighty socialist country.

It defines Chairman Mao's principle 'Grasp revolution, promote production' as

> a scientific reflection of the dialectical relationship between revolution and production, between the superstructure and the economic base, and between the relations of production and the economic forces.

The article affirms that

> revolution is the principal aspect of the contradiction and plays the leading role. It determines the orientation and the line guiding the development of production and is at the same time a powerful motive force for this development. . . . Teng Hsiao-ping was entirely wrong when he preached 'taking the three directives as the key link' . . . (see BROADSHEET May 1976—Ed.) We are opposed to the theory of productive forces at all times, past, present and future. But this must not be construed to mean that we are opposed to promoting production. The 'gang of four' deliberately confused the two different concepts and equated the theory of productive forces with efforts to promote production; they brought insolent charges against other people so that no one would dare or be able to promote production. . . .

But, says Jen Ping, the Four

> advocated metaphysics. With ulterior motives, they set revolution against production, politics against economics, class struggle against the struggle for production, and the dictatorship of the proletariat against socialist construction. . . . According to their logic, when 'the satellites go up to the sky' then inevitably 'the red flag will fall to the ground'. According to them, if the 800 million people want to 'make revolution', they should feed on the winter wind. Isn't passing such 'theory' off as Marxism a monstrous insult to Marxism?
>
> We the proletariat want both to keep the red flag flying from generation to generation and send up satellites; we want to ensure that our country will never change its political colour and will grow prosperous and strong.

Of the many reports of industrial workers' exposure of the Four, one of the most significant is that of the workers of Taching oilfield, which Chairman Mao long ago advanced as a model for China's industry. The oil workers studied Mao's 'On Contradiction' and 'On Practice' to aid them in their tasks of opening up the field, but this study campaign had been promoted by Premier Chou En-lai whom the Four hated and wished to overthrow. So they called Taching a 'black flag and bogus pace-setter', sabotaged the convening of a 'Learn from Taching' conference, and did their utmost to attack and prevent the showing of the film 'The Pioneers' which popularised the Taching experience.

The case of Tachai may be even more important. According to an article by the mass criticism group of the Ministry of Agriculture and Forestry (*People's Daily*, reported by *Hsinhua* 26 November), not long after the national conference to learn from Tachai (see BROADSHEET, December 1975) closed, the Four

> arbitrarily attacked it (the conference—Ed.) attempting to negate totally Comrade Hua Kuo-feng's report. They flatly refused to publish it in the theoretical journal they then controlled (presumably *Red Flag*—Ed.). Through the mass media in their hands, they even asserted that the report was 'a revision of Marxism-Leninism' and 'peddled the revisionist theory of productive forces' in an attempt to create ideological confusion among the cadres and the masses.
>
> In April this year Chang Chun-chiao clamoured that the movement to learn from Tachai 'should not be developed as originally planned; otherwise problems will crop up'. He ordered the Shanghai authorities not to transmit the report to the masses, nor to implement it. . . . He prevented cadres and others from the Shanghai suburbs on several occasions from visiting Tachai on the absurd excuse 'Tachai levelled hills to make fields; but our Shanghai has no hills to level. . . .'
>
> A mass education movement on the Party's basic line was launched throughout the country after the conference. The anti-Party 'gang of four' openly came out in opposition to this movement. Chang Chun-chiao said nihilistically: 'Who knows whether the education in basic line is correct or not?'. He forbade Shanghai to send work teams to carry out education in the Party's basic line.
>
> The gang of four went their own way under the banner of criticising Teng Hsiao-Ping. They did not criticise capitalism and revisionism and did not encourage the drive for socialism. They fanned up fires everywhere, saying there was not enough turmoil here or there and there should be great ferment everywhere. . . . They attempted to switch the general orientation of the movement and strike down a great number of leading cadres who were loyal to Chairman Mao's revolutionary line in order to reach their goal of usurping Party and state power and restoring capitalism. In some places where they interfered, the work teams were forced to be disbanded and the movement to build up Tachai-type counties was suppressed. As a result, some Party committees at various levels were paralysed, production lagged, the people had difficulties and capitalism was being restored to a certain extent in the countryside.

Education

The achievements of the Chinese people in education and in open-door schooling since the Cultural Revolution are well-known. As Chairman Mao said,

> Our educational policy must enable everyone who receives an education to develop morally, intellectually and physically and become a worker with both socialist consciousness and culture

and

> Education must serve proletarian politics and be combined with productive labour. Working people should master intellectual work and intellectuals should integrate themselves with the working people.

But Chang Chun-chiao, in a talk on 8 November 1975 (as reported by the mass criticism group of the Ministry of Education, *Hsinhua* 27 November quoting a *Kuangming Daily* article) contrasted two educational methods:

> One is to train exploiters and intellectual aristocrats with both bourgeois consciousness and culture; the other is to train workers with consciousness but without culture. Which kind of persons do you prefer? I prefer workers without culture to exploiters and intellectual aristocrats with culture.

The obvious fallacy here posed is in total contradiction to Mao's policy (in which 'worker', 'socialist consciousness' and 'culture' are dialectically linked) and is a good example of ultra-leftism in practice. The article further analyses the contrast between the two lines, on which a good deal more is certain to be said. It is alleged, for example, that the Four intended to appoint the 'worker without culture' who turned in a blank paper at his college entrance examination as Minister of Education.

This article will conclude next month with sections on the Army and on Culture and a general summing-up.

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No air mail rates to Europe.

U.K. ISSN 0067-2052.

Published by the China Policy Study Group, 62 Parliament Hill, London, NW3 2TJ and printed by Goodwin Press (TU) Ltd. 135 Fonthill Road, London, N4 3HH