

CO-OPERATIVE FARMING IN CHINA

*Decisions on the Development of
Agricultural Producers' Co-operatives Adopted
by the
Central Committee of the Communist Party of
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PUBLISHER'S NOTE

“Decisions on the Development of Agricultural Producers’ Co-operatives Adopted by the Central Committee of the Communist Party of China,” now published under the title “Co-operative Farming in China,” is one of the important documents issued by the Communist Party of China as a guide in the movement for mutual aid and co-operation in agricultural production. This document, as well as the “Decisions on Mutual Aid and Co-operation in Agricultural Production” adopted by the Central Committee of the Communist Party of China, shows the Chinese peasants that co-operative farming is the only correct road towards a happy life. These decisions explain very clearly the correct policy and concrete measures for the socialist transformation of agriculture, after the peasants had been led to uproot feudalism and complete the land reform.

Early in the War of Resistance to Japanese Aggression (1937–1945) and in the War of Liberation, mutual aid and co-operation in agricultural production began to develop among peasants in the liberated areas, following the reduction of rent and interest and the land reform. After the liberation of China’s mainland, the Central Committee of the Communist Party of China circulated in December 1951 the “Draft Decisions on Mutual Aid and Co-operation in Agricultural Production.” These decisions point out more clearly than ever before that

the peasant as a small producer must follow the road of mutual aid and co-operation in his gradual advance from individual economy to large-scale, collective economy that is capable of using machinery widely in agricultural production. These decisions have given great impetus to the movement for mutual aid and co-operation in agricultural production and enabled it to develop to a varying degree throughout the country.

After the experience gained in various places in the movement for co-operative farming, and especially the experience gained since 1951 in developing agricultural producers' co-operatives, had been summed up, the Central Committee of the Communist Party of China promulgated in December 1953 the "Decisions on the Development of Agricultural Producers' Co-operatives." In these decisions emphasis is laid on the fact that experimentation with, and development of, agricultural producers' co-operatives will lead to the further development of mutual-aid teams into such co-operatives and will thus mean progress for the movement for mutual aid and co-operation as a whole.

As soon as these decisions were issued, a nationwide movement was launched to popularize the ideas of the general line of the state in the transitional period, and to inform all the people how the country is to carry out socialist industrialization and the socialist transformation of agriculture, handicraft industry, and capitalist industry and commerce. Thanks to education in the meaning of the general line, the peasant masses have shown a stronger desire for getting organized into mutual-aid teams and other forms of agricultural co-operation. According to statistics available by May

1954, over half of the peasant households of the country were members of either mutual-aid teams or agricultural producers' co-operatives. There were over 95,000 agricultural producers' co-operatives, with a total membership of more than 1,700,000 peasant households. These facts fully prove the correctness of the policy of mutual aid and co-operation adopted by the Communist Party of China. This policy has won and will continue to win the support of the peasant masses.

We publish this document to help our readers understand how the Communist Party of China is leading the peasants in their victorious advance towards a happy future—socialism.

**DECISIONS ON THE DEVELOPMENT OF AGRICULTURAL PRODUCERS' CO-OPERATIVES
ADOPTED BY THE CENTRAL COMMITTEE OF THE COMMUNIST PARTY OF CHINA¹**

I

The successful results achieved throughout the land during the past two years by the putting into effect of the "Decisions on Mutual Aid and Co-operation in Agricultural Production" (adopted by the Central Committee of the Communist Party of China in December 1951) have proved that the direction and policy defined in these "Decisions" were correct, and in keeping with the general line of the Party guiding the Chinese people in their gradual march to socialism.

The Party's general line for the transition period calls for a steady socialist industrialization of the country and a steady socialist transformation of agriculture, handicraft industry and capitalist industry and commerce. In conformity with its general line, the develop-

¹These decisions were adopted on December 16, 1953, and are applicable throughout China with the exception of certain areas inhabited by national minorities.

ment of our country's national economy necessitates not only an expansion of industry but also a relative growth of agriculture. The development of the productive forces in agriculture is, however, handicapped by the isolated, scattered, old-fashioned and backward individual economy of the small peasant. The growing contradiction between such an individual small-peasant economy and the needs of socialist industrialization stands out more and more clearly. Small-scale agricultural production of this sort cannot satisfy the demands of the peasant masses for a better life themselves, let alone meet the requirements of an expanding national economy. Therefore, in order to further expand the productive forces in agriculture, the fundamental task of the Party in its rural work is to educate the peasants, and to further their organization step by step by the use of telling arguments and by methods that they can easily understand and accept, so that the aim of a socialist transformation of agriculture can be gradually realized. This method of transforming agriculture from a backward individual small-peasant economy (which can only produce on a small scale) to an advanced co-operative economy, capable of large-scale production, will overcome step by step the contradictions which would arise from a disproportionate development of agriculture and industry, and at the same time will enable the peasants gradually to throw off for ever their old life of poverty, and achieve a happy and prosperous life for all.

China's experience suggests that the gradual organization of the peasants in production will take the following path: from seasonal mutual-aid teams (which represent the simplest form of collective labour) or year-

round mutual-aid teams (where there is a certain degree of a division of labour and assignment of definite jobs on the basis of collective labour, and a certain amount of common property) to agricultural producers' co-operatives (in which the members pool their land as shares and there is a single management and a greater amount of common property) and to the agricultural producers' co-operatives of a still higher level (collective farms) which are completely socialist in character, and are based on the peasants' collective ownership of land and the means of production. Such course of development—from embryonic socialist forms to forms of a more nearly socialist character, and finally to completely socialist forms—is the path mapped out by the Party for the gradual attainment of a socialist transformation of agriculture.

II

As noted by the Central Committee of the Party in its "Decisions on Mutual Aid and Co-operation in Agricultural Production," two trends immediately showed themselves in peasant reactions, following their successful overthrow, under working-class leadership, of the land ownership of the feudal landlords. Their enthusiasm for production manifested itself in individual economy on the one hand, and in mutual aid and co-operation on the other. These two trends reflect the duality of the peasant characteristic, and in particular that of the middle peasant, a duality caused by the fact that the peasant is at one and the same time a toiler and a prop-

erty owner. The trend towards mutual aid and co-operation, arising as it does from the fact that the peasant is a toiler, indicates that he can be led towards socialism, while his leanings towards an individual economy, arising as it does from the fact that the peasant is a property owner and seller of agricultural produce, indicate a spontaneous tendency of the peasant towards capitalism. The inevitable result was that a struggle between these two trends—towards capitalism or socialism—arose in the rural areas. With the rehabilitation and steady growth of the rural economy this struggle showed itself more and more clearly and could not be ignored. Our policy, therefore, is positively but with due caution to lead the peasants through several distinct, appropriate transitional stages to channel their enthusiasm for individual economy into mutual aid and co-operation; this will overcome any spontaneous tendency towards capitalism (a tendency springing from individual economy) and will put them on the road to socialism. There are valid reasons for expecting this policy to succeed: first, we have the leadership of the people's state, headed by the working class, and of socialist industry; secondly, the peasants have confidence in the correctness of the leadership of the working class—the leadership which led them to liberation and gave them the land; and thirdly, there is a working unity of interest between the working class and the peasantry and between the poor and middle peasants. All have a common interest in striving together to rid themselves of the system of capitalist exploitation; for this system, as a result of exploitation and speculation, can only en-

rich the few, and reduce the overwhelming majority to poverty and penury.

The last few years have witnessed a rapid growth of the movement towards mutual aid and co-operation in agricultural production. To date, over 47,900,000 peasant households (43 per cent of the total peasant households) have joined seasonal or year-round mutual-aid teams or agricultural producers' co-operatives. Of this total, more than 273,000 households are organized in some 14,000 of the latter. This movement has not developed to an equal extent all over the country, but the role it has played in increasing agricultural production furnishes sufficient proof that the Party's policy is steadily winning the support of the great majority of the peasant masses, and is being steadily turned into actuality. It is, therefore, clear that the Party must give active leadership to the transformation of the individual small-peasant economy, and to the development of mutual aid and co-operation in agriculture, and that a passive attitude of letting the movement drift is not justifiable. Indeed, a passive attitude of allowing this drift to take place in mutual aid and co-operation, a complacent attitude towards the present state of small-peasant economy, and a lack of leadership in showing the peasants the correct, bright, broad road to socialist transformation, will certainly lead to the abandonment of socialist strongholds in the countryside and will facilitate the growth of the spontaneous tendency towards capitalism in the rural areas. As a result, the growth of agricultural productive forces and the continued betterment of the peasants' standard of living will be held back. The equilibrium between industry

and agriculture will be upset, planned economy and socialist industrialization will be disrupted and the alliance between the worker and peasant will be undermined. It need hardly be said that such an attitude and such an approach would be wrong.

III

It is necessary to foster the continued development of agricultural production and indeed to encourage a fresh upsurge of energy in this field; it is also necessary further to restrict capitalist exploitation in the countryside with a view to its gradual elimination. For this purpose, Party committees at all levels must actively put into operation the "Decisions on Mutual Aid and Co-operation in Agricultural Production" adopted by the Central Committee of the Party in December 1951. In so doing, they must take careful note of the diverse political, economic and cultural conditions actually prevailing in their respective localities and analyse the differences in the conditions of various localities and the difference in the rate at which the various types of mutual aid and co-operation are developing. At the same time, they must give due weight to the fact that in the past few years the development of the whole movement of mutual aid and co-operation in agriculture, though varying from place to place in intensity, has one constant feature: that not only are more and more peasant households being drawn into mutual aid and co-operation, but that there has been a marked qualitative improvement in the movement as evidenced by the in-

crease in the total number of year-round mutual-aid teams, and more particularly in the experimentation with, and development of, agricultural producers' co-operatives (which are characterized by the pooling of land as shares and by centralized management) on varying scales in different localities. In the course of such experimentation and initial development, these co-operatives have fully demonstrated their inherent superiority and that they have an important role to play. The reasons are as follows:

1) Agricultural producers' co-operatives can solve certain contradictions (in particular the contradiction between collective labour and decentralized management) which are difficult for mutual-aid teams to overcome, and thereby show the right way forward for those mutual-aid teams which have reached a certain stage of development.

2) The centralized management of land allows for the planting of crops on the soil most suitable, the carrying out of division of labour and the assignment of specific work based on collective labour in a more rational and planned way than can be achieved by mutual-aid teams, and the rational pooling of labour power when required—all this provides for a great increase in labour productivity.

3) With centralized management, more labour power and economic power are made available; this makes for a fuller and better use of new farming techniques, enables the introduction of changes in techniques, and facilitates capital construction, thus carrying out expanded reproduction in agriculture gradually and effectively.

4) As a result of increased economies in labour time and labour power, it will become possible to develop subsidiary production on an extensive scale, and consequently strengthen the peasants' economic position.

5) By following, to a certain extent, a system of distributing income according to the actual amount of work done, the agricultural producers' co-operatives can greatly stimulate the peasant initiative and creative activity for their work, and for learning new techniques.

6) Agricultural producers' co-operatives are able to ensure unity between the poor and middle peasants, and are thus in a better position to struggle against capitalist activities and against any possible division into rich and poor groupings in the countryside.

7) Agricultural producers' co-operatives are able to advance step by step towards planned production. This will create a condition in which co-ordination with the state-owned socialist economy in the fields of supply, production and marketing is facilitated, thus opening the way for the integration of agricultural production into the state economic plan.

8) Because "they are going the right way, and are increasing income and output," the agricultural producers' co-operatives can draw the individual peasants, in increasing numbers and at an increasing rate, into mutual-aid teams, and thus pave the way for the development of still more agricultural producers' co-operatives.

9) With the advantages of collective management and the growing improvement in the peasants' standard of living, the agricultural producers' co-operatives become an excellent school, in which the peasants learn

collective work and a truly patriotic attitude, both in the sphere of economy and in their day-to-day relations with one another.

10) In view of the foregoing, the agricultural producers' co-operatives in their present form are the suitable form through which the peasants can be led to agricultural producers' co-operatives of a more advanced type (collective farms) which are of a completely socialist character. That is to say, the present co-operatives represent a transitional form by which the peasants can be led to advance, naturally and willingly, to socialism. This form will enable individual peasants and those who have joined mutual-aid teams to be quite prepared in advance, both materially and psychologically, for the day when they come to a completely socialist agricultural economy, instead of being taken by surprise; thus it will be possible to avoid losses which might occur if there were an abrupt change.

The inherent advantages of agricultural producers' co-operatives and the role they play give them an increasingly important position in the present movement for mutual aid and co-operation, taken as a whole. They are becoming the vital link in the task of leading the whole movement forward. The Central Committee therefore considers it necessary for Party committees at all levels to pay greater attention to leading the development of agricultural producers' co-operatives, and to create conditions for steadily trying out and promoting such co-operatives, taking into consideration the concrete circumstances in their respective areas. Such leadership must, as ever, be guided by the policy that "only successes are allowed; no failures," so as to

push the whole movement for mutual aid and co-operation forward. At present, Party committees in a number of areas are paying far too little attention to this question and are giving little or no leadership to the matter. This state of affairs must be changed.

IV

The development of co-operation in agriculture must be guided, everywhere and at all times, by the basic principle that it should be voluntarily accepted by the peasants. It is absolutely impermissible to try to carry out the socialist transformation of small-peasant economy merely by issuing a call from above. Still less is it permissible to order or force the poor and middle peasants to join the co-operatives, or to take away their means of production and put them under collective ownership. Compulsion, commandism (bossiness) and expropriation of the peasants' means of production are criminal acts. They would disrupt the worker-peasant alliance, and the alliance between the poor and middle peasants; they are, in fact, criminal acts which would undermine co-operation in agricultural production without bringing any benefit whatsoever.

That is to say, any such blind, impetuous adventurism is totally wrong.

It is absolutely imperative that we use methods of persuasion, provide good examples, and give state assistance, and thus encourage the peasants to organize themselves of their own free will.

We should turn to good account the everyday life

and personal experience of the peasants, use this to instil in them the ideas of socialism and co-operation, and constantly remind them that individual farming methods lead them nowhere; that individual farming can never cope with natural calamities and other major difficulties, nor bring about constantly expanding agricultural production; that even such increase as they can bring about is necessarily limited. Perpetuation of the system of individual farming must in the long run turn the majority of peasants into victims of exploitation and speculation on the part of rich peasants, usurers and merchant capitalists, and cause the peasants once again to lose their land. Co-operation in agriculture, therefore, is the only way out for the peasant masses; it alone can help them to surmount the difficulties which beset individual farming, can assure the constant expansion of agricultural production, which, together with the development of socialist industrialization, can satisfy the continuously growing needs and demands, material and cultural, of the whole population, including those of the peasants themselves.

The peasant can best be convinced by what he can see with his own eyes. As Lenin put it:

We have to give the peasant, who . . . is a practical man and a realist, concrete examples to prove that the "kommunia" (*communes*) is the best possible thing.

The "communes . . . must be so organized *as to gain the confidence of the peasants.*" Therefore in a movement for developing agricultural producers' co-operatives, the principle of encouraging the peasants to try it out, of setting good examples by the leadership at all levels and of steady consolidation and expansion of

the movement is the correct principle. Without exception, every province and county where land reform has been completed must give guidance and pay serious attention to the successful organization of a definite number of agricultural producers' co-operatives. And these co-operatives must be so conducted as to prove, in actual operation and by the display of their superiority, that they are a much better method than individual farming and mutual-aid teams and that they can unite and help the individual peasants and mutual-aid teams. The peasant will be able to see for himself that co-operation really serves his own interest and that the co-operatives are run reasonably and justly, to the satisfaction of both the membership and those outside. Thus the peasants will be won over towards socialism.

But at the same time, we must remember that, as Lenin pointed out,

. . . we know that these co-operatives, artels and collective organizations are innovations, and if support is not given them by the working class in power they will not take root.

Therefore, the state led by the working class, while allowing for the relation between the peasants organized in mutual-aid teams or co-operatives and those working individually, must render appropriate material assistance, wherever necessary and possible, to the co-operatives, by extending low-interest-rate loans, building irrigation projects, establishing demonstration stations for popularizing farming techniques and big stations for promoting the use of new types of farm implements, etc. Assistance of this sort will enable the peasants to realize very quickly the practical advantages of the co-operatives, and will thus stimulate their growth.

It is evident that by adopting such a series of measures as these, we will avoid rash, adventurist errors, and will lead the peasants to develop co-operation in agricultural production voluntarily and on a sound basis; that is, the co-operative movement will grow from elementary to advanced forms, will increase, both in the size of the individual co-operative and in the total number of co-operatives, and will spread from single points to cover large areas. Thus, we will be able to win over the peasant masses—at first a small part, then a larger, and finally all of them—to follow us in our march to socialism. Provided we do this work properly the peasants' advance will be at a relatively rapid pace.

V

To ensure the success of the agricultural producers' co-operatives, we must pay attention to the following points:

1. The basic criterion of the success of agricultural producers' co-operatives is the increase in yield and members' income. Such practical marks of success cannot fail to carry conviction to the peasants, and allow them to realize whence comes their own continually growing material and cultural well-being. To this end, the agricultural producers' co-operatives must, within practicable limits, raise labour productivity by exploiting to the full the advantages of co-operatives, and thus bring out the potential productive forces in agriculture.

- a) Capital construction and improved farming techniques are the material foundation for the agri-

cultural producers' co-operatives to increase yields, to improve their members' standard of living and to strengthen their capacity for overcoming the hazards of nature. Such work must be tackled step by step, according to the actual conditions prevailing in a given locality and in the individual co-operatives concerned. As a rule, the development should be by degrees, from a small to a comparatively large scale, and from improved or partially improved techniques to advanced techniques. Agricultural producers' co-operatives in various parts of the country have, in the last few years, built small-scale irrigation projects, rendered fruitful drought land by irrigation, undertaken intensive cultivation and improved the soil, bought new types of farm implements, used improved seed, introduced the new close-planting method scientifically, tried out composting methods actively and applied compost effectively, fought insect pests, developed animal husbandry, and started afforestation. All these things have played a great role in raising output, demonstrating the inherent superiority of collective farming and provided a suitable outlet for some part of the peasants' surplus labour power. In order, therefore, to lay a permanent, solid foundation for increased production, the co-operatives should carefully analyse the reasons for such successes as mentioned above, and find concrete ways for continuously increasing their own output by properly applying the experience gained to the actual conditions of their own localities and their own co-operatives. They can also usefully study experi-

ences in other branches of production than those mentioned above. But they must be on guard against using such experience or such methods in a formalistic and mechanical way.

b) Provided that the main stress is laid on the development of agricultural production, agricultural producers' co-operatives may use their surplus labour power and surplus funds for the development of subsidiary occupations in such a way as to contribute to the expansion of agricultural production.

Agricultural producers' co-operatives are not permitted to engage in trade as a subsidiary occupation. Business transactions by the agricultural producers' co-operatives must go through the supply and marketing co-operatives. However, it is permissible for an agricultural producers' co-operative to earn money from the transportation of goods, since this is not profit gained from trading.

2. Improvement in the management of agricultural producers' co-operatives must take place gradually, in a way befitting the actual conditions of their development, i.e., from the simple to the complex and from a lower to a higher level, so that such management will prove itself both convenient and practicable for the members and at the same time conform to the need to raise labour productivity.

a) Labour power must be employed in a rational way. The form of organization must be determined by the size of the co-operative, the needs of production, the amount of labour power available and possibilities of further development. For instance, the system of a temporary division of labour

among production groups might at first be adopted, and then, on the basis of the experience gained by the peasant masses, the system of forming year-round, permanent production teams or brigades, responsible for the cultivation of specific plots of land on a seasonal basis, might gradually be introduced. Where co-operatives have tentatively adopted the system of forming such production units, responsible for cultivating and harvesting specific plots of land on a year-round basis, the peasants should, if the system has proved popular with them, be helped continually to summarize their experience, so that such forms of labour organization may be gradually perfected.

Whatever form the organization of labour takes, it must be thoroughly discussed in a democratic way by the membership before any decisions are taken, and before the teams or brigades are assigned their share of the work and are told the standard required. Those which overfulfil their quota should be rewarded, while measures appropriate to the actual situation should be taken against those who fail to accomplish the work assigned to them. Any such reward and disciplinary measures should, however, be discussed and decided upon by the membership.

Proper attention must be paid to utilizing the latent work-power of women, and of those who can only do auxiliary work, so that they too can be assigned specific tasks.

b) Assessment of the work done and allotment of points for workdays should be gradually

perfected on the basis of the development of production and of the experience of the co-operative membership.

One method, now popular among many co-operatives, for calculating the work done, and the requisite allotment of points per workday, is first to make an assessment for each member according to his known capacities and skills, and then to decide the points he should receive in practice according to the actual quality and quantity of work done, and make payment on this basis. This method is known as the method of "fixed rates and flexible application."

Another method is to work out the number of points appropriate to each kind of work according to seasonal differences and its quantity and quality, and then to make payment according to the number of points earned by each member for the work actually done. It is up to the membership of the individual co-operative to make proper use either or both of these methods, but care should be taken to see that there should not be too many meetings, nor too much time spent in meetings to assess the work done and allot points.

c) Production plans for the whole year, and for each season or part thereof, should be mapped out by stages. For the time being, the scope of the plans should not be too large. For instance, crop planting, capital construction, improvement of farming techniques, labour organization, development of subsidiary occupations, collaboration with supply and marketing co-operatives, advancement

of cultural matters and public health must be expanded gradually, from year to year, on the basis of the development of production and the managerial experience gained.

All plans must be fully prepared and thoroughly discussed by the masses. Both conservatism and utopianism must be guarded against.

In formulating plans and organizing the work of the members, proper care should be taken to leave a certain amount of time for their personal activities and for them to undertake certain subsidiary occupations in their homes. Whatever in the opinion of the members does not require to be included in the sphere of co-operation or collective work, and whatever they do not wish so to include, should not enter into the plans.

d) Necessary, simple but strict, systems of financial management and accounting should gradually be instituted. All disbursements by the co-operative and the use of agricultural loans must be decided upon after democratic discussion. Depending on the amount of the expenditure, the power of approval rests either with the general meeting of the co-operative membership or with the co-operative's council which will render its decision only after discussion. All accounts must be properly entered in the books, which must be open to public inspection at regular intervals, so that the accounts may be subject to constant supervision by the members.

The practice of economy is a basic principle in the management of all socialist enterprises; it is

also the basic principle in the management of agricultural producers' co-operatives. In order to avoid excessive production costs, the co-operatives must economize in their expenditure, reduce miscellaneous expenses, eradicate corruption and waste, and guard against hasty investments.

e) It is essential that practicable and clearly defined spheres of activity and responsibility for every variety of work should be instituted and strictly adhered to, e.g., as to the division of labour in leadership, the production programme, the use of and care for draught animals, the use and custody of farm implements, the supervision of work, cultural activities, public health, etc. Regulations for rewards and penalties should be formulated. Such systems and regulations help to strengthen labour discipline, combat absenteeism, obviate delays and hold-ups due to faulty planning, guard against damage and waste of common property, and ensure that there is some person responsible for every given task. Through such systematic organization the interests of individual members will be further integrated with the interests of the co-operative as a whole.

f) To improve the various aspects of work involved in managing an agricultural producers' co-operative, as described above, one or two persons of good character, with the ability to rally the masses, a capacity for management, and knowledge of production should be chosen from among the active elements and trained to become the nucleus of leadership.

3. The reasonable distribution of income promotes production in the co-operatives and is a decisive condition for their consolidation. In trying to solve this question of the distribution of income, it is necessary to keep in mind the special feature of this present form of agricultural producers' co-operatives. It is a transitional form of co-operative, which will lead to complete socialization, and has a dual character, in that it includes both private and co-operative ownership of property. It is therefore necessary to adopt flexible, diverse and transitional methods in the distribution of income.

a) In the distribution of income, the respective proportion accruing to members for the amount of work done and for land-shares that are invested should be appropriately decided after democratic discussion by the members. In doing this, care should be taken to see that all members receive reasonable benefits, that the distribution helps to promote the development of the agricultural producers' co-operative and of production, and that any excessively high or excessively low proportion, such as might cause dissatisfaction among the members, be avoided. However, the general principle to be followed is to increase, gradually and steadily, the proportion that is paid for work done, in conformity with the increase in production, the rise in labour productivity and the development of the political consciousness of the masses.

b) Payment for workdays should be based on the quantity and quality of the members' work. Those who do more and better work are to be paid more; those who do less and poor work are to be

paid less. Payment must be reasonable and fair, based on the amount of work done and the corresponding number of points earned.

Equal pay for equal work should be the rule for both men and women, based on the amount and quality of their work. (For instance, if a woman does work of equal quantity and quality to a man on the same job, she should receive the same pay as a man. If she does more than a man, she should be paid more; if her work is inferior or if she can do only half as much as a man, her pay should be accordingly less.) However, in the assignment of work, it is necessary to give due consideration to the special physiological difficulties of women.

When a co-operative is first organized, the cadres working in it should take part in agricultural production, but they should be credited with an appropriate number of workdays whenever they have to leave productive work to look after the affairs of the co-operative. No workdays, however, should be allotted when a cadre is occupied with other matters in the village. When conditions are ripe for the considerable expansion of a co-operative, a certain sum may be allotted, after discussion and agreement by the members, to pay one or two cadres to give their full time to the management of the co-operative.

c) Different forms of payment can be adopted for the use of draught animals and larger farm tools belonging to the members, in accordance with actual local conditions and subject to the membership's agreement. In a new co-operative rental is

generally the most suitable form. It is also permissible for members to pool their animals and tools as shares in the co-operative and to receive a bonus for them. This is a form already adopted by some co-operatives. The practice of buying animals and tools at a definite price from the members should not be advocated indiscriminately, and should only be done when the members are really willing and when the co-operative has the means to pay the purchase price. Whichever form is adopted, it should first be democratically discussed and a fair and reasonable price fixed so that the payment will not encroach upon the amount paid to the members for labour, thus avoiding disguised exploitation by rich peasants, and ensuring that the owners of draught animals and farm tools do not suffer. Reasonable prices and profits should be paid to the members for the shares they put in, so as to encourage them to increase their investments in the co-operative. This means giving consideration to the interests of the membership as a whole, as well as to the interests of each individual member.

d) As a general principle, the income from subsidiary occupations should be added to the income from agricultural production for distribution. However, care should be taken to pay at a relatively higher rate for such subsidiary occupations as require a comparatively high degree of skill.

e) In accumulating common property and in building up reserve and welfare funds, the principle of proceeding from small to large must be adopted. It must be applied strictly in accordance with the

desires and economic position of the membership, and the annual yields of the co-operative, always bearing in mind, however, that the guiding principle is that the real income of the membership must be assured of a steady improvement. By such methods the collective interests of the co-operative will be closely linked with the interests of the individual.

To summarise what has been said above, the important tasks involved in ensuring the success of an agricultural producers' co-operative are: To strive for increased production, to improve management step by step, and to make sure that income is distributed reasonably. To carry out these tasks correctly and efficiently, it is necessary to have Party leadership, and co-ordinated effort in the political field. In establishing new co-operatives, Party committees at all levels must seriously study the experience gained already, and take steps accordingly, appropriate to the actual stage of development of individual co-operatives and localities. Party committees must constantly analyse and sum up the experience gained by the masses, and on this basis, raise the work to the next possible stage. Leading organs must not subjectively set norms and targets which are unrealistic or exceed the degree of understanding gained and which the masses will not be ready to accept. In established co-operatives, our attitude must be to work carefully and systematically, rather than rashly or impetuously, so as to consolidate and improve them further, and give them the assistance that is suited to their particular circumstances. Co-operatives which are already going well must be helped to work still better, until every plot of land in them is improved and

used to the maximum. Co-operatives which are not doing so well, and have more defects and difficulties, must be helped to overcome them, so that they too can gradually reach a higher level.

VI

Generally speaking, the mutual-aid movement paves the way for agricultural producers' co-operatives through the accumulation of experience by the masses, and the training of leading cadres. The development of mutual-aid teams forms the basis on which the agricultural producers' co-operatives develop. On the other hand, the successful operation of the co-operatives gives impetus to the development of yet more mutual-aid teams. Hence we must strengthen our leadership in developing agricultural producers' co-operatives as well as various types of mutual-aid teams.

Party committees in all localities must study carefully and utilize the peasants' traditional practices and forms of mutual aid, and help them to organize themselves on a gradually increasing scale, and thus overcome the difficulties in agricultural production. In developing the mutual-aid movement, Party committees must gradually reform and improve on these practices and replace unsuitable features by suitable ones. We must bear in mind that the successful organizing of individual peasants into mutual-aid teams, and the successful operation of these teams implies the creation of conditions which will guide them towards development into agricultural producers' co-operatives, and eventual-

ly bring about the complete socialist transformation of agriculture. It would be a serious mistake to underestimate mutual-aid teams through failing to recognize them as a rudimentary transitional form which can lead the peasants gradually towards a fully socialist transformation.

It should also be noted that in some places which are economically and culturally well developed relatively, or where the requisite conditions exist among the masses, agricultural producers' co-operatives may be set up without preliminary mutual-aid teams, or they may develop more rapidly than in other places. Even so, we still must not overlook the work of the mutual-aid teams.

VII

In developing the mutual-aid and co-operative movement, we should also bear in mind "the need for enthusiastic and sincere care, assistance and patient education for the individual peasants," as pointed out in the "Decisions on Mutual Aid and Co-operation in Agricultural Production." We must pursue a policy of giving due consideration to the productive energies of the individual peasants, extend loans where necessary and give technical assistance where possible so as to bring out their latent productive forces; thus we will help them to overcome difficulties and avoid their being exploited by rich peasants, money lenders or profiteers. Every mutual-aid team and co-operative organization should become the nucleus around which the individual peasants may rally. As pointed out by the "Decisions

on Mutual Aid and Co-operation in Agricultural Production”:

We must realize that only on the basis of our present concern and proper care for the individual peasants will it be possible for them gradually to join mutual-aid and co-operative organizations in the future and will it be possible for us to reach our ultimate goal in the countryside of leading the whole peasantry to socialism and communism.

It would be entirely incorrect to permit discrimination or attacks against individual peasants, to allow members of mutual-aid or co-operative organizations to range themselves against individual peasants, or to ignore altogether the potential productive forces of the individual peasants.

VIII

Mutual-aid teams and agricultural producers' co-operatives, supply and marketing co-operatives, and credit co-operatives—these are the three forms of co-operation in the rural areas. These forms have different but complementary functions, are interlinked and stimulate one another. They are gradually integrating rural economy into the national plan of economic construction, and transforming small-peasant economy on a basis of co-operation.

As the main manifestation of capitalist activity in the countryside is at present through the exploitation of the peasants by merchants, grain hoarders and speculators, and usurers, the supply and marketing co-operatives and the credit co-operatives have, therefore, a great responsibility. Under the leadership of state-owned

economy, they should gradually help the peasant masses rid themselves of these forms of exploitation, and should also make possible the state's task of the purchase of grain and other produce. Furthermore, they should endeavour to supply the means of production, and consumer goods to the rural areas, encourage the peasants to save, and extend them low-interest-rate loans, thus acting to the benefit of agricultural production and at the same time promoting the mutual-aid and co-operative movement.

Rural supply and marketing co-operatives should further strengthen their links with the mutual-aid teams and agricultural producers' co-operatives by concluding "link contracts"¹ on an increasing scale, for sale, supply and production.

Credit co-operatives in the rural areas, in their present respective stages of development, take various forms: credit teams, credit co-operatives and credit departments of the supply and marketing co-operatives. These forms should be further developed and improved so that they can be more closely integrated with mutual aid and co-operation in agriculture, and thus be enabled to give systematic support to the movement as a whole.

The handicraft industry at the present time plays a very important role in supplying the means of production and consumer goods to the rural areas. Supply and

¹ A "link contract" is a contract under which the local supply and marketing co-operative ensures the timely supply of farm implements, fertilizers, etc., to the neighbouring mutual-aid teams and agricultural producers' co-operatives, which in turn undertake to provide the supply and marketing co-operative with grain or other produce.

marketing co-operatives, and credit co-operatives should therefore foster the development of the essential local handicraft production and in particular the development of handicraft co-operatives.

IX

The raising of the productive forces of agriculture through the development of the mutual-aid and co-operative movement is thus the principal task of the Party in directing its rural work. All Party organizations in rural areas—district and county committees, most regional committees and such provincial committees whose work lies chiefly in rural administration—and all Party cadres of or above regional level who are engaged in rural work, should gradually shift the main emphasis of their work towards this movement. They should carry out the Party's present policy, that is, to rely on the firm alliance of the poor and middle peasants, develop mutual aid and co-operation step by step, and restrict exploitation by the rich peasants; they should closely interweave Party political work with economic work, so as to bring about the socialist transformation of agriculture systematically.

1) All Party committees of the Greater Administrative Areas, provinces, municipalities and counties should work out their year-to-year plans and first five-year plans for the development of mutual aid and co-operation in agriculture, paying special attention to the development of agricultural producers' co-operatives. In drawing up these plans, they should follow the gen-

eral policy of the Central Committee of the Party for economic construction. The degree of development aimed at, and the target figures should be decided on only after serious consideration of the actual conditions in their respective areas. Only then will the plans be well based.

According to the target figures set by the leading organs of the Party in the Greater Administrative Areas, the total number of agricultural producers' co-operatives should increase from some 14,000 in the winter of 1953 to some 35,800 in late summer 1954. The regional breakdown is as follows: North China, from 6,186 to 12,400; Northeast China, from 4,817 to 10,000; East China, from 2,301 to over 8,300; Central-South China, from 527 to over 3,600; Northwest China, from 302 to over 700; Southwest China, from 59 to over 600. The Central Committee of the Party has approved these target figures, and charges the Party committees at all levels to strive for the fulfilment of the plan.

On the basis of the year-by-year development of the mutual-aid and co-operative movement in the period of the First Five-Year Plan (that is, by 1957) our aim is to increase the total number of agricultural producers' co-operatives to some 800,000, having a membership of approximately 20 per cent of all the peasant households. On completion of the First Five-Year Plan, agricultural producers' co-operatives may conceivably become the chief, or almost the chief, mode of agricultural production in some areas; in others, it will be possible for them to develop only to a certain extent.

The five-year plan should include in its scope state farms, stations for popularizing good agricultural techni-

ques, stations for demonstrating new types of farm implements, pumping stations and tractor stations to be established in different parts of the country, and agricultural producers' co-operatives of a completely socialist character (i.e., collective farms), which will be set up experimentally in places where conditions are most favourable. It should also include supply and marketing co-operatives and credit co-operatives.

2) The county Party committee should be the motive force leading the mutual-aid and co-operative movement. Party committees at various levels should discuss their work in this movement at regular intervals; county Party committees should assume particular responsibility for success or failure in this work. The secretary of the county Party committee must take personal charge of this and must assign a certain number of capable cadres to make a regular study of material relating to the mutual-aid and co-operative movement and help Party branches at district and *hsiang*¹ levels to solve problems arising in the movement.

Members of county Party committees must familiarize themselves with the policies and methods laid down by the Central Committee of the Party for the mutual-aid and co-operative movement, and must guide both the personnel working in the movement and the cadres at district and *hsiang* levels to study such policies and methods and acquire the necessary general knowledge of agricultural techniques. The county Party committee must learn to educate and organize Party and

¹ An administrative unit below the county level, composed of several villages.

Youth League members so that they can play a leading role in the mutual-aid teams and agricultural producers' co-operatives.

3) Regional, county and, where possible, district Party committees should systematically run short-term training courses on mutual aid and co-operation during the agricultural slack season. They should encourage fair-minded and capable activists from the masses to attend these courses, so that ever increasing numbers of people can be trained to take part in leading the movement. Local people's governments should, whenever conditions permit, open training classes in agricultural techniques and accounting.

4) Party committees at various levels should organize conferences at regular intervals on mutual aid and co-operation at various levels, on agricultural techniques, and regard these and other discussion meetings as an important means of education for the masses and cadres. The agenda of conferences on mutual aid and co-operation should be: the exchange of experience, publicity and commendation for those who have worked well, criticism and help for those who have not, election of model peasants, ideological and political education, mobilization for the attainment of targets. All this should be directed towards promoting the development of mutual-aid teams and agricultural producers' co-operatives. The agenda of conferences on technical matters should consist chiefly of the systematization, improvement and popularization of farming methods in current use, and the introduction of new technical knowledge and experience.

Party committees at various levels should use sum-

marized experience in production and organization for the education of the cadres, Party members and activists among the masses.

5) In carrying out the work of agricultural producers' co-operatives, village Party organizations must skilfully draw examples from the lives of the membership, so as to constantly draw attention to the difference between the new and old paths, that is, between socialism, which allows no exploitation of man by man and aims at a prosperous life for everybody, and capitalism, which carries with it exploitation of the great majority by the few, enabling the few to enjoy a prosperous life while the vast majority live in poverty. Village Party organizations should also bring co-operative members to understand the significance of the worker-peasant alliance; teach them to identify their own interests with those of the collective and of the state; inspire them to work with ever greater vigour; make them conscious of the honour of doing more and better work, and thus obtaining a greater income than others and of relying on their own earnings to improve their standard of living; and make them realize the disgrace of suffering a reduction in income as the result of laziness. In addition to this, village Party organizations should also teach the members of co-operatives strictly to observe labour discipline and consolidate unity—unity among themselves, and especially unity between the poor and middle peasants, and between new and old members of the co-operatives. It is also the job of village Party organizations to educate the members of the agricultural producers' co-operatives, and enable them to become model peasants who abide by the laws of the state, respond

promptly to all the calls of the government and give their whole-hearted support to the socialist industrialization of the country. Efforts should also be made to teach them to treasure and protect public property and to help and form close ties with those peasants who are still working individually. Appropriate methods of persuasion should be adopted in encouraging the members to emulate one another in their work, while proper criticism and self-criticism should be the method used to solve problems in their way of thinking or in their daily lives. These are tasks that must be undertaken to enlighten co-operative members so as to steadily raise their appreciation of the socialist future; to unceasingly guard against and eliminate the bad influence of the rich peasants, and consistently help co-operative members to overcome their individualist ideas. By such means the position of agricultural producers' co-operatives will be further consolidated.

X

The Central Committee of the Party has pointed out time and again that active leadership and steady progress should be the guiding principle with regard to all work undertaken, in connection with the mutual-aid and co-operative movement, with the gradual socialist transformation of agriculture. Active leadership means that the leadership of the Party must not lag behind the demands of the masses and the requirements of national construction. And steady progress means that in giving leadership the Party must always take into consideration the degree of consciousness achieved by

the masses as well as the existing objective conditions. The leading organs at all levels must, therefore, have a thorough understanding of the actual conditions of a given place at a given time. Mistakes arising from a subjective approach or from commandism must be avoided; the leading organs must acquire a thorough knowledge of the excellent examples which have existed for some time or been recently evolved in the mutual-aid and co-operative movement of the varying higher and lower forms in the different localities. It is necessary to spread out from points to areas; to combine the creation of good examples with their popularization; and to combine popularization with a rise to still higher forms. It would be an error to go forward blindly, aiming only at increasing number and size and higher forms of mutual aid and co-operation, rather than to exert efforts to set up examples according to prevailing conditions and to study these examples carefully. It would also be an error not to popularize the examples that are created but to let them remain isolated cases. Both good and bad experience, in varying degree, has been acquired throughout the country. It is the task of leading Party organizations at all levels earnestly to study and sum up all these experiences; to lead the mutual-aid and co-operative movement on to the correct path as pointed out by the Central Committee of the Party so as to methodically and gradually bring about the complete transformation of the small-peasant economy; and enable agriculture, led by our industrial enterprises of a socialist character and in co-ordination with the progress of socialist industrialization, to march forward triumphantly to the era of socialism in our land.