COMMUNIST CHINA'S DOMESTIC CRISIS: THE ROAD TO 1964

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COMMUNIST CHINA'S DOMESTIC CRISIS: THE ROAD TO 1964

This is a working paper of the DD/I Research Staff. It analyzes the erratic development of Chinese domestic policy in the past 15 years and tries to shed new light on this question and also on the Sino-Soviet relationship and the matter of disagreements among Chinese leaders.

The paper attempts among other things to answer the question of what Mao Tse-tung and his favorites have learned from the failure of their "leap forward." It concludes that they have learned some lessons, but that they have not learned the most important lesson—that the "leap forward" strategy is itself defective—and that they are therefore likely to undertake another "leap," perhaps in 1966.

The writer, Philip L. Bridgham, has had the benefit of an intensive review of his paper by two of his colleagues of the DDI/RS, Arthur A. Cohen and Charles F. Steffens, and of discussions with them and with several other colleagues of the community. The DDI/RS would welcome additional comment, addressed to the writer or to the Chief or Deputy Chief of the staff.
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V. THE CONTROLLED LEAP: THE "GREAT STRIDE FORWARD"
(JULY 1962 - DECEMBER 1963)

The 'great leap forward' approach
/to economic development/ has been aban-
donned in favor of a more gradual, step-
by-step solution.

--Chou En-lai to Japanese Delegation,
November 1962

Our country will certainly make
rapid progress provided we work hard.
--Liu Shao-chi to National Conference
of Scientists, 26 January 1963

We can certainly secure a greater
all-round bumper harvest this year and
soon turn our country into a socialist
power with modern agriculture, modern
industry, modern national defense and
modern science and technology...The
great stride forward of the Chinese
people cannot be resisted by anybody.
(Underlining supplied)

--Ko Ching-shih to East China Confer-
ence of Advanced Agricultural Units,
1 February 1963

The Tenth Plenum of the Chinese Communist party
eighth central committee convened in Peiping in late
September 1962 to approve a series of decisions which
have shaped the course of Chinese Communist policy de-
velopment to the present day. Bearing out Peiping's
characterization of this plenary session as of "great
historic significance" the decisions adopted at this
meeting constitute another fundamental turning point
in Chinese Communist policy formation. After two years of retreat and accommodation in the face of foreign and domestic pressures, the Peiping regime apparently decided that further retreat was both intolerable and unnecessary and that, conversely, the time had come to take arms against a sea of troubles.

In foreign policy, this precept was applied literally in the decision to launch a major military attack on India in October. Of much greater long-term significance, however, was the decision to initiate an all-out offensive against Moscow in which the stakes were none other than leadership of the international Communist movement. This objective the Chinese Communists have pursued skillfully and with some success during the course of the past 18 months.

By contrast, the record of Chinese Communist domestic policy since the Tenth Plenum presents a picture of uncertainty and confusion which poses formidable problems of interpretation. Compounding the difficulties usually encountered, the following factors make analysis of recent development in Communist China especially hazardous: (1) an abnormally high propaganda content in policy discussion; (2) the ambiguous, shifting nature of policy guidelines; (3) continued disagreement within the leadership over policy issues; (4) disclosures about the scope, duration and character of the "class struggle" campaign adopted at the Tenth Plenum which have only recently come to light; and (5) the marked shift in regime outlook from optimism in the first portion of this period to pessimism in the latter portion in the face of "new problems in socialist construction without ready-made answers."

In keeping with these general observations, this chapter will discuss the most recent phase of Communist China's domestic crisis under three headings: (1) the period surrounding the Tenth Plenum (in which the decisions of this highly important conclave are conceived as a blueprint for domestic and foreign policy development up to the present); (2) the period of the "great stride forward" in the first half of 1963 (in which an abortive attempt is made to translate this blueprint into a viable
economic development program); and (3) the period of the "three great revolutionary movements" in the last half of 1963 (in which political pressures are intensified as the regime gropes for new solutions to its perennial economic problems.)

A. The Tenth Plenum of the CCP Central Committee (July-December 1962)

In retrospect, it has become increasingly clear that the three basic policy decisions approved by the Tenth Plenum of the CCP central committee in September 1962--to launch an offensive against the "modern revisionist" leadership of the Soviet Union; to organize a nation-wide "class struggle" campaign; and to initiate a new, independent program of economic development--were closely interrelated and interdependent. Moreover, there is considerable evidence that the common strategy underlying these decisions was provided by Mao Tse-tung who once again emerged after a period of relatively little public activity to dominate the proceedings of the Tenth Plenum and to assume a much more active role in public life.

To illustrate briefly the interdependent nature of these policies, it is obvious that the decision to wage an all-out struggle against Khrushchev would preclude further Soviet assistance and necessitate adopting a policy of "self-reliance" in China's economic development. The close link between the anti-Soviet and "class struggle" campaign was emphasized in the Tenth Plenum communique which conveyed a clear warning that henceforth domestic criticism of party policies would be construed as Soviet-inspired "subversion." The integral relationship between the second and third policies (between the political indoctrination "class struggle" campaign and the new economic development program), however, was not at first apparent and is still only dimly perceived by some Western observers.

But to fail to see this interrelationship is to fail to realize that Communist China's "new" approach to
socialist construction adopted at the Tenth Plenum was only a modified version of the old "leap forward" approach—that is, it was a reaffirmation and re-expression of the deeply-held conviction by Mao Tse-tung and his principal lieutenants that "politics must take command" over the economy and that political indoctrination, rather than material incentive, is the key to rapid development of Communist China's backward economy. At the same time, this new" approach did seek to avoid the excesses and more flagrant mistakes committed during the "great leap forward" era. As will be discussed at greater length below, whether it is possible to reconcile the conflicting requirements of doctrine and party controls, on the one hand, with the requirements of production and economic motivation, on the other—whether in fact it is possible to achieve a "controlled leap" in economic development—is perhaps the central problem in any estimate of China's economic prospects.

As a preliminary to this new "forward march" in socialist construction, however, the Chinese Communist leadership apparently decided to publicize more widely in the latter half of 1962 the "mistakes" of the "great leap forward" which Premier Chou En-lai had first revealed secretly to the National People's Congress in the spring. In a remarkably frank published discussion in early July, Tao Chu (first secretary of the Central-South China regional party bureau) referred to "difficulties, mistakes, and policy failures" which China had experienced in socialist construction. (Underlining supplied) In August the republication of Liu Shao-chi's How To Be a Good Communist was designed in part to explain how cadre errors had transformed "good" central committee policies into "bad" ones by disregarding objective possibilities.*

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*one of the cadre errors stressed in party meetings called to study this work had been to maintain that "if one is brave, it is possible to produce much grain"—a gloss on the slogan advanced by Liu Shao-chi himself in May 1958 that "politics can grow grain." Thus, a work of Liu Shao-chi was being used to correct a mistake for which he himself was largely responsible.
From September through November, Chou En-lai, Chen I and other leaders appeared to make a special point of informing foreign diplomats and visitors that "China had made many mistakes;" that China "had learned a lot" and "is still learning from its mistakes;" that "the great leap forward had been a pretty ghastly mistake;" and that the "Chinese admit their failures." But it was at the Tenth Plenum in late September and the celebration of China's National Day in early October that the regime presented the most comprehensive explanation of the nature and causes of these "mistakes." This explanation, constitutes valuable background material for understanding the most recent phase of Communist China's domestic policy.

The first basic mistake of the "great leap forward" era had been to emphasize industrial development at the expense of agriculture, an overemphasis expressed in excessive investment and allocation of manpower to industry. Overemphasis and excessive speed had been particularly true of development of the iron and steel industry, with the result that more than one-third of the 18 million tons of steel produced in 1960 had been of "poor" (i.e. unusable) quality. When combined with three consecutive years of agricultural calamities, it followed that Communist China would now have to adopt a new policy of agricultural orientation ("agriculture the foundation, industry the leading factor") in order to redress or "readjust" the grave imbalance which had developed in the national economy.

*It appears more than coincidental that these admissions of error were made by more moderate leaders within the CCP who had apparently questioned the feasibility of the "great leap forward" from the outset. By contrast, none of the more radical "party-machine" leaders (e.g. Liu Shao-chi, Teng Hsiao-ping, and Tan Chen-lin) has ever been known to criticize the "great leap forward" and people's communes, perhaps because they are still convinced of the validity of these programs.
Another mistake had been the "unreasonable implementation" of the commune program which, although "fundamentally good," had been set up "too quickly and on too large a scale."* Because of cadre errors in the implementation of this program, a similar "readjustment" policy had been carried out for the communes in the years 1960-1962 featuring decentralization of authority to the production teams and the return of "private plots" to the peasants. (One report at this time stated that "private plots" would remain for 30 years.)

Of particular interest was the disclosure at the Tenth Plenum that large numbers of peasants had withdrawn from the communes during this "readjustment" period, reaching the alarming proportion of 20 percent in Anhwei Province. It was clear that strong measures were required to arrest this process of disintegration, measures which would be progressively revealed in the unfolding of the "socialist education," "class struggle" and "five anti's" campaigns in 1963. As usual, the rural cadres would bear the brunt of these campaigns, this time accused of the new "error" of "revisionism."

Turning to the causes of the "mistakes" which had sabotaged the "great leap forward" and commune programs, the new familiar rationale (originating in the rectification campaign of 1961 and repeated at the National People's Congress session in the spring of 1962) was once again advanced—that "leading cadres" (principally provincial party first secretaries) and subordinate cadres

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*Three years earlier during the celebration of Communist China's tenth anniversary, the dominant Chinese leaders had attacked those making the very same criticisms of the "great leap forward" and people's communes noted above as "right opportunists." In order to conceal this embarrassing 180-degree shift in party line, the Peiping regime in the fall of 1962 (according to a reliable report) ordered the suppression of all major leadership statements issued on this earlier occasion.
alike had both misunderstood and misapplied the correct policies of Chairman Mao and the central committee.

A second cause of China's "mistakes" was the sudden Soviet withdrawal of technicians and termination of assistance to Communist China's industrialization program in mid-1960. Although Premier Chou En-lai had stressed this as a contributing factor in his secret speech to the National People's Congress in the spring, Khrushchev was now held to be 'primarily responsible" for China's economic difficulties. Thus the groundwork was laid for asserting more and more openly as the anti-Soviet struggle unfolded that the greatest "mistake" of all in Communist China's economic development program had been to rely on the good faith and pledges of a perfidious Soviet ally.

1. The Decision to Launch an Anti-Soviet Struggle

It is still difficult to find an adequate explanation for Communist China's decision in the fall of 1962, at a time of both political isolation and economic weakness, to launch an all-out struggle against the Soviet Union for leadership of the international Communist movement. That such a decision was taken at this time, however, is well documented in the public record.

On 23 August, Foreign Minister Chen I leveled the first of a series of bitter (if indirect) attacks against the Soviet Union for engaging in "subversion," "sabotage," "vilification" and "invasion" of China. In late September and early October, Chinese Communist spokesmen were asserting that the CPSU had "given up" leadership of the world revolution; (2) that this leadership had passed by default from Moscow and Khrushchev to Peiping and Mao Tse-tung; and (3) that, although seemingly isolated, Communist China was now supported by a majority of people in the socialist camp and would pursue thereafter "uncompromising" struggle against the USSR. In an obviously coordinated move, the Albanian party organ Zeri i Popullit on
13 October for the first time called for a split in the international movement, an open break "however painful it may be," with Khrushchev and all who followed him. One month later, on 15 November, the Chinese Communist party organ People's Daily surfaced the decision of the Tenth Plenum in a definitive editorial drafted, according to one report, on the personal instructions of Mao Tse-tung. Constituting a manifesto of Peiping's claim to supreme doctrinal authority within the international Communist movement, this editorial concluded with a clarion call for "all Marxist-Leninists to resolutely carry on the struggle against modern revisionism to the end."

As for Chinese Communist motivation, the Peiping regime apparently decided that further retreat and accommodation in the face of Soviet pressures was both unnecessary and, given the nature of Soviet provocation, intolerable. Militarily, the threat of an American-supported Chinese Nationalist invasion of the mainland had passed and with it the need to conciliate Moscow in the hope of having available the Soviet nuclear shield. Economically, Communist China appeared to be emerging from the worst period of crisis and, besides, Soviet economic assistance during this critical period had been minimal. Tactically, the Chinese leadership may have concluded that it would be better to seize the initiative rather than await passively a new Soviet onslaught.

As for the numerous Soviet provocations which may have prompted this decision, the 6 September 1963 Chinese statement lists ten examples of "sabotage" of Sino-Soviet relations perpetrated in the roughly one-year period preceding the Tenth Plenum. The most intriguing of these was the charge that "the leaders of the CPSU" had attempted "to subvert its /i.e. CCP/ leadership by every possible means." As discussed at some length in the preceding chapter of this paper, this charge apparently referred to a revival of "Peng Te-huai-ism" among elements in the People's Liberation Army, especially in the Air Force, who may have responded to fresh Soviet overtures by urging accommodation to the USSR. Other Soviet actions which must have appeared particularly outrageous as violations...
of Chinese national interests were the following more or less simultaneous developments in the months just preceding the Tenth Plenum: (1) the projected sale of MIG fighter planes to India, symbolizing as it did the entire course of Soviet policy toward the Sino-Indian conflict; (2) Soviet notification on 25 August 1962 of its intent to enter into an agreement with the United States to prevent further proliferation of nuclear weapons; and (3) alleged Soviet "large-scale subversive activities" which were held responsible for the exodus of tens of thousands of minority peoples from Sinkiang into Soviet Central Asia. As a reaction to these menacing activities (summed up by Chen I in the phrase "vilification, sabotage, subversion and invasion"), the Chinese Communist decision at the Tenth Plenum to launch an all-out attack against the "revisionist" leadership of the CPSU at least becomes more intelligible.

2. The Decision to Organize Nation-Wide "Class Struggle"

By the fall of 1962, three years of privation and ignominious retreat from the original goals of the "great leap forward" and commune programs had bred widespread apathy, disillusionment and dissatisfaction among all classes of Chinese society. Even more alarming, a large proportion of the party rank-and-file had begun to display the same symptoms of cynicism toward party programs. Since these developments had gravely damaged the Chinese Communist mystique of being an infallible force capable of building China into a powerful nation on the basis of Marxism-Leninism, it was imperative that a new rationale be advanced to explain past failures and silence future criticism. The new rationale, as revealed by Chairman Mao to the Tenth Plenum, was to explain failures and criticism of party policies as largely the handiwork of "foreign and domestic class enemies" against whom it was now necessary to launch a nation-wide "class struggle" campaign.
According to a subsequent Chinese Communist publication, Chairman Mao at the Tenth Plenum "searchingly analyzed the international and internal situations and once more explained in a penetrating way the existence of classes, class contradictions and class struggle throughout the entire historical period of transition from capitalism to Communism.../thereby7 brilliantly enriching and developing the Marxist-Leninist theory about classes and class struggle and providing our people and the revolutionary people all over the world with a new weapon." This quotation is significant for the following diverse reasons: (1) it demonstrates the dominant role played by Chairman Mao at this party conclave; (2) Chairman Mao's finding on "classes and class struggle" are presented as having validity not only for China but for all socialist countries, thus refuting Khrushchev's claim to have established a state and party "of the whole people" (in effect, a classless society); and (3) Chairman Mao's "brilliant development of the Marxist-Leninist theory about classes and class struggle" at the Tenth Plenum represents an almost complete reversal of the view he had expounded in [1957].

It is ironical to note that Mao Tse-tung asserted at that time that: "Our country is already a socialist country, classes have been basically eliminated, counter-revolutionary power has basically been wiped out, intellectual elements have undergone ideological remoulding, and the people of the entire country have been organized." (Underlining supplied) These wildly divergent appraisals illustrate not only the notorious fallibility of Mao's judgment but also the extent to which subsequent developments have belied his optimistic view in 1957 of the cohesiveness and loyalty of Chinese society on the point of undertaking large-scale socialist construction.

Two observations about the "class struggle" campaign in the fall of 1962 deserve special emphasis: (1) that emphasis at this stage was placed on preparations for actual launching of the campaign in the spring and summer of 1963; and (2) that there were already a number of indications that the campaign would be protracted and
comprehensive, encompassing all classes and groups within Chinese society. In the way of preparatory measures, three of the formal decisions announced in the Tenth Plenum communique (the planned interchange of leading cadres, the strengthening of the party control commissions, and the changes in the central committee secretariat) foreshadowed disciplinary action against unreliable elements within the party.

The multiplicity of uses to which the Chinese Communist regime intended to put the "class struggle" campaign was revealed in published discussions of this versatile concept following the plenary session. As noted above, one such use was to convey the grim warning that further opposition to party policies would be construed as the work of "class enemies" engaged in Soviet-inspired subversion. That "class enemies" of this type had already been discovered at a fairly high level within the CCP was suggested by a December Red Flag article ("Lenin on Class Struggle in the Transition Period") which referred to the "growth of a right-opportunist clique within the party" as "almost inevitable," and warned of the "splitting, subversive activities" of such a clique.*

A second use was to warn of the danger of continued controversy within the party, obviously a lesser offense since not directly attributed to machinations of the "enemy." The major point of interest in the discussion of this phenomenon (appearing again in the December Red Flag article) was the admission (indirectly through the medium of Leninist quotations) that such "disagreements" continued to exist within the CCP and were subject to exploitation by hostile forces.

A third intended use of the "class struggle" campaign was to issue a blanket warning to "new bourgeois...

*Since no time period was specified, this may very well have been an allusion to the activities carried out by Peng Te-huai's "anti-party group" in 1959.
elements" which had emerged not only within the party but also within the government, economic organizations, mass organizations and indeed within all classes and groups of Chinese society. As spelled out in the same Red Flag article, all elements of the population were served notice that they were liable to attack and punishment should they persist in any one of a number of "anti-socialist" activities as defined by the regime.

By far the most important of these activities was the "spontaneous tendency to capitalism" which had developed to an alarming degree in China's countryside during the two-year period preceding the Tenth Plenum. With national survival at stake, the regime throughout this period had been forced to make numerous concessions to the peasantry in the interests of increasing production, concessions which had progressively expanded the area of private enterprise (cultivation of "private plots," private reclamation of wasteland, private household production and private trading on the "free market") at the expense of the collective economy. As noted above, in addition to these well-publicized concessions, the regime had also been forced to permit the withdrawal of large numbers of peasants from the commune-collective system, the proportion reaching 20 percent in at least the one province of Anhwei. By a rough approximation, it may be estimated that at the time of maximum retreat perhaps as much as 25 percent of agricultural production and rural trade were being carried on outside the "socialist" system.

Viewed in this light, the Chinese Communist decision at the Tenth Plenum to launch a nation-wide "class struggle" campaign becomes more comprehensible. In the words of the communique, the Chinese revolution had reached a decisive turning-point in the "struggle between the socialist road and the capitalist road." As seen by the party leadership, the struggle for control over China's rural economy was a life-and-death struggle in which victory was essential to preserving the raison d'etre of the Chinese Communist revolution. As foreshadowed by the Tenth Plenum decision "to further consolidate the collective economy of the people's communes," the first stage of the "class struggle" campaign in the
spring of 1963 would focus on peasant "individualism" in production and trade, with the worst offenders singled out for punishment as "mortal enemies of socialism."

3. The Decision to Initiate a New "General Policy" for National Economic Development

By the fall of 1962, Communist China's "three red banners" (the trilogy of policies advanced by Mao Tse-tung in 1958 as the answer to Communist China's special problems of economic development) existed in name only. In place of the "great leap forward," the Peiping regime had enunciated the policy of "gradualism," or step-by-step development, at the National People's Congress in April. In place of the much-vaunted people's communes, the regime was struggling to uphold the small-scale collective farm against the inroads of peasant "individualism." And, in place of the "general line for socialist construction," the Tenth Plenum of the CCP central committee approved a new "general policy" of developing the national economy "with agriculture the foundation and industry the leading factor."* Clearly, it is of some importance to discuss the content and significance of this new policy of agricultural orientation, a policy which has proved to be not only confusing (to Chinese and Westerners alike) but (in the sense that it purported to provide a new "solution" to China's economic development problems) short-lived as well.

The first observation that should be made is that, although apparently so conceived, this was not a long-range development policy at all. In retrospect, it has

*As noted in the preceding chapter, this policy was actually not new at all, having originated three years earlier during the period of "continuous great leap forward."
become increasingly clear that this new "general line* was little more than a restatement in more positive terms of the economic "readjustment" policy which had already been in effect for 18 months--i.e. an interim program designed to shore up the badly-lagging agricultural sector preparatory to a general upsurge in the national economy. As demonstrated by the abortive attempt (in the months following the Tenth Plenum) to draft the Third Five Year Plan on the basis of this new "general policy," it fell far short of the requirements of a comprehensive, long-term development program.

The essentially political nature of this new policy line was revealed in a number of Chinese Communist articles (published in the fall of 1962) celebrating its great significance as the latest example of Mao Tse-tung's "creative development of Marxist-Leninist theory" and as "an important development of the Marxist-Leninist theory of socialist construction." Just as the Chinese Communists had discovered a "new law of undulatory development" when the "great leap forward" collapsed, so were they now reacting to failure on the agricultural front by proclaiming the principle of priority development of agriculture as an "objective law" of socialist economic development.**

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*Although "general policy" was the usual term, Chinese Communist publications in the fall of 1962 also referred to this agricultural orientation policy as a new "general line" for national economic development.

**It is interesting to note that this "objective law" is actually a flagrant example of Chinese Communist "modern revisionism," a flat repudiation of the basic economic law of socialism which calls for priority development of the means of production (i.e. the capital goods produced by heavy industry). Chinese Communist propagandists who sought to rationalize this deviation were driven by the demands of doctrine to the patently false conclusion that agricultural products are actually "capital goods."
By presenting an essentially expedient policy as a new Marxist-Leninist law, it appears that the Chinese Communists were attempting once again to convey a sense of purpose and direction in economic policy which would generate confidence and enthusiasm for a new production upsurge on the part of the Chinese people.

Even the decision to initiate a major effort to modernize agriculture (publicized with great fanfare following the Tenth Plenum) appeared to be based more on political considerations than on any coherent program. Described as "the central task and main program of the whole party," this undertaking to achieve the mechanization, irrigation, fertilization and electrification of agriculture was little more than a restatement of the grandiose objectives originally announced by Chairman Mao in 1955 and repeated periodically thereafter. The new emphasis on the protracted nature of this modernization process (20 to 25 years), the tentative exploratory character of published discussion, and the admission that relatively little state investment would be available suggested that agricultural development in the near term would continue along traditional lines. Again the intent appeared to be primarily one of projecting an image of certainty and clear direction in agricultural development policy where in fact none existed.

Of more immediate relevance to the development of China's rural economy was the fourth formal decision adopted at the Tenth Plenum, the decision "on the question of commercial work." In accordance with this decision (which Chairman Mao had "personally" proposed), new importance was assigned to the role of trade, finance and pricing policy in bringing rural production and exchange under state control. The primary objective was to increase the state's take from agriculture through appropriate changes in procurement and farm pricing policies and through the controlled distribution of industrial consumer goods, thereby progressively restricting the "free market." As discussed by the Minister of Commerce in a November Red Flag article, this new policy combined "economic measures, correct administrative
controls and political education," with chief emphasis placed on "economic measures." As demonstrated by subsequent developments in 1963, however, this was a flexible policy which could and would be shifted to increasingly greater reliance on political and administrative controls.

It remains to discuss one of the most significant developments in the fall of 1962—the reappearance of signs of disunity among the Chinese Communist leadership over domestic policy, especially economic policy. Moreover, this policy debate appeared to involve roughly the same groupings of radical ("party-machine") and moderate ("administrator-economist") leaders identified in preceding chapters of this paper as an abiding feature of the Chinese Communist leadership. As it had in the past, the disagreement appeared to center on questions of method and "speed of construction" (or optimum rate of development) for China's economy. And once again, as suggested by the lead-in quotations to this chapter, the principal figures in these two groupings appeared to hold significantly different views in the fall and winter of 1962-1963, with Liu Shao-chi holding forth the prospect of "rapid progress" and Chou En-lai stressing the need for "gradual, step-by-step solutions."

Additional evidence suggesting policy differences, moreover, is provided by the curious circumstances surrounding the decision at

*Illustrating the "rapid progress" which Liu Shao-chi apparently had in mind, an important 10 July 1963 Red Flag editorial would repeat the estimate advanced during the "great leap forward" era that it would take Communist China only "a decade or two to catch up with the most advanced levels in the world in science and technology and build our country into a powerful socialist state with modern industry, modern agriculture, modern national defense and modern science and technology." Just nine months earlier, Chou En-lai had informed Malcolm MacDonald that this estimate (and those who accepted this estimate) "had been proved completely wrong."
this time to proceed post haste with the drafting of a Third Five Year Plan to commence in 1963.

The first curious circumstance is that the decision was made at all. Several regime officials in the period from fall 1961 through summer 1962 had estimated that a minimum of three and more likely five years was required before China could recover from its agricultural calamities, presumably a prerequisite for new economic growth. In the early fall of 1962, Vice Premier Chen I reportedly stated that it was still undecided whether a new five-year plan would be launched in 1963. As late as 1 November, Premier Chou En-lai informed a Japanese delegation that it would be two years (1965) before China's trade and production had returned to normal. On 8 November, however, Peiping suddenly announced the appointment of seven high-ranking officials as deputy directors of the State Planning Commission, strongly suggesting the creation of a high-level task force to formulate Communist China's Third Five Year Plan (1963-1967) on a crash basis.

The second curious circumstance concerns the identity of these new appointees, who were not only senior officials (five were either members of the politburo or vice-premiers) but also appeared to have been selected in almost equal numbers from the "party-machine" and "administrator-economist" groups. This apparently conscious effort to achieve balanced representation was particularly marked in the case of the agricultural specialists, with the radical Vice-Premier Tan Chen-lin exactly counterbalanced by the moderate Vice-Premier Teng Tzu-hui. Still another instance was the pairing of Chen Po-ta (a leading party propagandist and long-time spokesman for Chairman Mao) with the more conservative financial and economic specialists Li Hsien-nien and Po I-po.

Thus on the basis of admittedly incomplete evidence, it may be speculated that some such process as the following characterized the decision to go ahead with Communist China's Third Five Year Plan in the fall of 1962—that there was a policy debate over the desirability
and feasibility of attempting to draft a long-range development plan at that time; that Chairman Mao then called for the preparation of such a plan on a crash basis, arranging at the same time for adequate representation of both groups in the drafting process; and that this was essentially a political decision, reflecting Chairman Mao's view that it was imperative to demonstrate Communist China's ability not only to survive Soviet economic sanctions but also to chart an independent course of economic development which would be valid for other underdeveloped countries as well.* With the announcement in December that a new session of the National People's Congress would be convened in the second quarter of 1963, it appeared that this would be the target date for completion and publication of a reasonably ambitious Third Five-Year Plan which would provide both guidance and inspiration for a new upsurge in Communist China's production and construction.

B. The "Great Stride Forward" (January-June 1963)

As noted above, the first half of 1963 would be an important testing period for the basic economic policy decisions at the Tenth Plenum (1) to re-establish socialist, collective controls over the economy (especially the rural economy); (2) to generate a new upsurge in production (especially agricultural production); and (3) to draft a Third Five Year Plan which would be both dynamic (demonstrating Communist China's ability to achieve substantial progress of its own) and feasible (avoiding the excesses and mistakes of the "great leap forward" era).

*This latter point was made explicitly by a Chinese Communist official in early 1963 who asserted that "China had to show the world that only her socialist system was able to solve the many problems of the underdeveloped countries of the world."
Before turning to an examination of developments within this period, it is important to note briefly the fundamentally incompatible nature of these objectives.

The first contradiction was that posed between the requirement for strengthening socialist controls over China's rural economy (i.e. increasing the state's take from the agricultural sector) and the requirement for increasing agricultural production. That Communist China's leaders (at least some of them) were aware of this contradiction was suggested by the relative restraint of the "class struggle" campaign in the first half of 1963, with greater emphasis placed on persuasion ("socialist education") than on coercion.

The second contradiction was inherent in the politically-inspired directive to draft economic development plans which would be both dynamic and feasible. This political and ideological compulsion to show a rapid, if somewhat more realistic, rate of progress would be well exemplified by politburo member and East China regional party leader Ko Ching-shih in February when he would exhort the Chinese people to achieve a "great stride forward" in socialist production and construction. By mid-year, however, it would become clear that this undertaking to force the pace had encountered serious obstacles both in the short run (a disappointing summer harvest) and in the long run (the failure of the State Planning Commission to come up with a viable Third Five Year Plan). By another irony of history, it would be just at this point of demonstrated incapacity in charting its own course of domestic development that Communist China would proclaim the universal validity of its policies by advancing a new "general line for the international Communist movement."

1. The Production Upsurge

The crisis of confidence experienced by Communist China's leaders in the spring of 1962 had expanded by the end of the year to encompass most of the Chinese people.
Confronted with widespread public and party apathy, the Peiping regime initiated a long-term, intensive "socialist education" campaign at the Tenth Plenum designed to restore popular confidence in party leadership and faith in the efficacy of party programs. This was all the more essential since Communist China's hopes for rapid economic development in 1963 rested primarily on its ability once again to substitute political and ideological incentives for material reward as the major stimulus in production.

The first step in this lengthy re-education process was to reassert the "greatness" and "correctness" of Chinese Communist leadership, especially as personified by the "great contemporary Marxist-Leninist," Mao Tse-tung. In a series of major articles and editorials extending from the Tenth Plenum well into the spring of 1963, party propagandists expounded the theme that, appearances and the "anti-China chorus" to the contrary, Communist China had scored continuous victories in socialist revolution and socialist construction in the past and would continue to do so in the future because of "the brilliant and correct leadership of the CCP central committee and Comrade Mao Tse-tung."

Central to this campaign was the revival and elevation to new heights of the "cult of Mao Tse-tung" in which the Chinese leader once again was depicted as a semi-divine being whose attributes included infallibility and scientific foresight. A November 1962 China Youth article asserted that "the past ten years of practice in socialist construction...have proved the unqualified correctness of Comrade Mao Tse-tung." Even more striking was an article appearing in the 8 January 1963 issue of China Youth Daily which eulogized Chairman Mao's foresight ("at all times standing higher and seeing farther than anyone else") in the following passage: "The way Chairman Mao Tse-tung looks at problems must be like standing on top of a skyscraper looking down on the streets and roads below. Each path, turn and curve comes in his view. How can it be possible for him to lose direction?" (Underlining supplied) The final and most extreme illustration of this new undertaking to exploit the charisma
of Mao Tse-tung was the emergence in February 1963 of the campaign to "learn from Lei Feng," a propaganda hero whose miraculous accomplishments were attributed "to earnest and repeated study of Chairman Mao Tse-tung's works" and (in Lei Feng's own words) "to the blood given by the party and Chairman Mao Tse-tung which has penetrated into every single cell of my body."

The next step in reviving popular confidence was a concerted effort initiated at the Tenth Plenum to demonstrate that the party's economic policies had already produced a "new situation of victory" and would soon ("after efforts for a period of time") usher in "a new period of great upsurge in socialist construction." It is of particular interest to note that as this campaign gained momentum in the winter of 1962-63 it began to assume the character, at least in agriculture, of a modified "leap forward" campaign. Because of limitations of space, it is possible to present only the following brief summary of this significant development.

First, an important People's Daily New Year's Day editorial asserted that "tremendous achievements" gained during the preceding five year period had "shown even more clearly that it is possible to achieve a great leap forward in China's socialist construction;" claimed "striking successes" in "readjustment of the national economy and rapid restoration of agricultural production" during the preceding two year period; and, on the basis of these successes, called upon the Chinese people to "advance with powerful strides" and "to strive for a bumper harvest and for a new upsurge in the national economy" in 1963. Then in late January, Liu Shao-chi issued the dictum noted above that "our country will certainly make rapid progress provided we work hard."

It was not until the East China regional agricultural conference in early February, however, that this campaign began in dead earnest. It was here that Ko Ching-shih, describing the conference as "ideological preparation for a new upsurge of agricultural production," called for initiation of "a thundering and large-scale
increase production campaign in a practical manner;"* asserted that China's "agricultural production and rural economy can be developed at high speed;" and, symbolically, proclaimed that China would achieve a "great stride forward" in economic development. Amplification of these guidelines appeared in follow-up provincial agricultural conferences which (1) issued the ambitious targets of a 10 to 20 percent increase in grain and cotton production in 1963 (Honan); asserted that "there is present everywhere a picture of rapid growth and a new high tide of national economic construction is in the offing" (Hei-lungkiang); and (3) called upon the rural cadres to "whip up a production upsurge...a new upsurge in agricultural production of immense proportions" (Kwangtung).

Perhaps the best indication of an intent to reintroduce certain "leap forward" techniques in agriculture was provided by Tao Chu (the Central-South China regional party leader) in an article appearing in the 21 April 1963 Canton South China Daily. Praising two model communes for exhibiting "revolutionary zeal" and the spirit of "moving mountains" in their triumphs over nature, Tao reaffirmed one of the basic ingredients (the organization of mass movements) in the "leap forward" approach to economic development as follows:

The socialist cause is a common cause of millions of people. To build socialism and change the outlook of 'poverty and blankness,' you must mobilize millions of people to work together as a team. Only the masses of people are creators of history...However the masses need leadership; they need someone to give them a push.

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*This injunction to conduct the campaign "in a practical manner" received even greater emphasis in another speech (of which only a brief summary is available) to this conference by Chou En-lai.
That the regime was still mindful of earlier excesses in this social mobilization technique was suggested, however, by Tao's occasional reminders of the need to combine "zeal and confidence with a realistic work style."

Paralleling this campaign of exhortation and of "whipping up a production upsurge" in the countryside, there were a number of indications that this approach was considered inappropriate for industrial and scientific and technical development. In late January, Chou En-lai and Ko Ching-shih appeared before a Shanghai conference of scientists and technicians to stress "realism and practicality" and to warn against "violating the law governing the development of science and technology... the law of advancing step by step." Several articles by provincial first secretaries in the spring of 1963 emphasized the need for gradualism in modernizing China's agriculture, pointing out that overambitious targets, haste and "reckless reform" had characterized previous efforts to achieve the technical transformation of agriculture.

Also indicating a pragmatic strain in Chinese Communist domestic policy was the decision in February to reinstitute (after an interval of six years) an ambitious program of birth control, a program sponsored by the principal figure in the moderate grouping within the CCP, Premier Chou En-lai. Chou delivered an important speech before a medical conference in Peiping at this time in which he stressed that the party and government had decided to launch a long-term "family planning" campaign and called upon the conference to devise measures for implementing this policy. Underlining the urgency of birth control, the Chinese premier asserted (1) that China's population problem was equal in importance to its agricultural and national defense problems; (2) that China's current population was in excess of 700 million and was increasing at an annual rate of 2.2 percent (about 16 million); (3) that continuation of this trend would defeat China's plans for economic development; and (4) that, consequently, it was imperative to reduce this rate progressively to 2 percent in five years, 1.5 percent in ten years and 1.0
percent within a fifteen year period. Although slow to develop, this campaign has accelerated in recent months to include mass indoctrination on the desirability (if not necessity) of late marriage; popularization of birth control methods, abortion and sterilization; and withdrawal of maternity and other benefits after the third child.

The immediate effort in the spring of 1963 to incite a production upsurge, moreover, was almost at an end. The mood of buoyant optimism and the image of rapid progress which Peiping had wished to convey both domestically and abroad reached their peak on May Day. On that occasion, regime spokesmen claimed substantial increases in agricultural and industrial production during the preceding year and "an across-the-board turn for the better in the national economy." By the end of the month, however, references to an imminent upsurge in the national economy had dropped out of sight and by August the line had reverted to that of the Tenth Plenum—that "a certain period of time" was required before Communist China would enter a "new period of great upsurge" in economic development.

Symptomatic of this change in party line was the announcement on 7 June that the National People's Congress session originally scheduled for early summer had been postponed until late in the year. As recent developments have made increasingly clear, this decision appeared to reflect diminished confidence in China's economic prospects resulting from (1) a disappointing summer harvest and (2) the inability of China's economic planners to translate Chairman Mao's policy guidelines into a viable Third Five Year Plan.

2. Class Struggle: The First Stage

As noted above, the Tenth Plenum decided not only to incite a new upsurge in production but also to re-establish socialist, collective controls over the rural economy. This decision was apparently based on the
assumption that agricultural production had recovered to the point where it was possible once again to squeeze out the resources needed for economic growth. Since it was clear that China's peasants would resist this new effort to deprive them of hard-won gains, it was necessary to generate new ideological and political pressures to overcome this resistance. This motivation, perhaps more than any other, explains the genesis of the nationwide "class struggle" campaign (and the allied "socialist education" and "five anti's" campaigns) initiated in the fall of 1962 and developed with increasing intensity up to the present time.

In the first stage of this campaign extending to mid-1963, the Chinese Communist leadership apparently recognized that it was necessary to proceed cautiously and therefore placed greater emphasis on persuasion ("socialist education") than on coercion. The tone was set in an important Red Flag article in January which called for a new rectification movement to correct shortcomings and mistakes within the party primarily by means of "persuasion and education," a process of "self-reform" utilizing traditional methods of "criticism and self-criticism." The same prescription was advanced (in a 11 January People's Daily editorial) to deal with defective rural cadres, for the great majority of whom it was only "a matter of education and of criticism and self-criticism to improve their work style." As for the peasants in general, it was all the more urgent to "continuously strengthen" their socialist education, otherwise (according to a 25 January People's Daily editorial) "the peasants will not follow the road of socialism."

The "main content" of the "socialist education" campaign at this stage, as stated candidly in the 20 February issue of the Canton South China Daily, was "making people understand that pursuing individual interests is at the expense of others and the public as a whole." This applied with particular force to China's peasants who, according to the 25 January People's Daily editorial cited above, had to be persuaded "to uphold the viewpoint of placing the interests of the state as a whole above all else." This meant, concretely, "supplying more commercial grain, industrial crops and subsidiary
agricultural produce" to the state in order to support industrialization and economic growth. The additional explicit statement in this editorial—that the modernization of industry must precede the modernization of agriculture—revealed the essentially fraudulent nature of the agricultural orientation policy which had been proclaimed with great fanfare at the Tenth Plenum.

Since it was both impolitic and embarrassing to admit that China's peasants en masse were opposed to socialism, the Peiping regime revived the pre-'great leap forward' concept of rural "class analysis" to assert that "upper middle" peasants were largely responsible for the resurgence of capitalism in the countryside. To the extent that such a class could be said to exist in the spring of 1963, it was composed of the more energetic and productive peasants who had made good use of the "limited freedoms" (e.g. to farm "private plots" and to sell produce on the rural "free market") permitted during the preceding three year period. As pointed out in the 10 February issue of China Youth, "their [the "upper middle" peasants'] speculative activities and other activities unfavorable to socialism constitute the most important part of the activities of capitalist forces in town and country under present social conditions."

Refugee reporting indicates that, with important exceptions, the struggle waged against these capitalist practices in the spring of 1963 was relatively restrained. Rather than abolishing "private plots" (as it had done twice before), the regime apparently issued regulations limiting their size and the time peasants could spend working on them. A similar process of whittling away at the rural "free market" was also instituted, featuring the imposition of price ceilings and state procurement at low prices of part of the output of "private plots."

There were, however, important exceptions to this general rule of leniency, exceptions which figured prominently in reports of a new "five anti's" campaign (probably still in the experimental stage) just getting underway in China. Although varying from province to province,
the main targets of this campaign in the spring of 1963
were speculation and "individual farming." As noted
earlier, the phenomenon of large numbers of peasants
withdrawing from the commune-collective system to engage
in "individual farming" had reached alarming proportions
(e.g. 20 percent in Anhwei Province.) Now that the
worst period of agricultural crisis was over, such a
flagrant "capitalistic" practice could no longer be tol-
erated. It is not surprising, then, that rural cadres
who had countenanced "individual farming" were singled
out (according to a number of refugee reports) for public
trial and punishment (including beatings) as the first
of many "class enemies" to be attacked in the country-
side in 1963.

It remains to note briefly the role of Lei Feng,
"the extraordinary ordinary soldier," in Communist China's
"socialist education" campaign in the spring of 1963.
A major objective of this campaign to study and emulate
the "revolutionary spirit" and "heroic self-sacrifice"
of Lei Feng was to provide an ideological and moral sub-
stitute for material incentives in stimulating production.
It is interesting to note that a 5 January Red Flag arti-
cle attacking "modern revisionists" for betraying the
noble ideals of Communism in favor of "material benefits...individual rights...and personal welfare" anticipated the
emergence of Lei Feng by asserting that "in socialist
society, numerous new people with Communist ideological
consciousness and morality will inevitably be fostered."
As the campaign developed, it was predicted that Comrade
Lei Feng (personifying the very antithesis of "indivi-
dualism," ) would inspire tens of thousands of Chinese
youth to emulate his "Communist spirit and virtue." This
would produce, by chain reaction, "an increase of the
people's Communist spirit and virtue into a gigantic force
beyond measurement, like a spiritual atomic bomb of un-
limited power, with which we will overcome any obstacle,
avert any crisis, and smash any enemy in our great cause
of socialist revolution and construction." It is in this
sense that the Lei Feng campaign, indeed the entire "so-
cialist education" campaign under way since the Tenth Plenum,
should be viewed as a reaffirmation and re-expression of
a basic and long-held tenet of Mao Tse-tung—that political
indoctrination, rather than material incentives, is the key to rapid development of Communist China's backward economy.

3. Anti-Soviet Struggle: The First Stage

Although the decision at the Tenth Plenum to precipitate open political warfare with the Soviet Union undoubtedly appealed to many Chinese (on nationalistic if not racial grounds), there were indications in the spring of 1963 that many others were uneasy about the break with Moscow and its long-term effect on Communist China's aspirations to become a great world power. As discussed at some length above, there is good evidence that at some time in 1962 the party high command had been forced to deal with dissident elements within the People's Liberation Army, especially within the Air Force, who had urged a policy of accommodation in order to secure additional Soviet military and economic support. It is all the more remarkable, then, that certain Chinese Communist officials apparently continued to question the wisdom of waging an anti-Soviet struggle even after the grim warning in the Tenth Plenum communique that such criticism would be construed as Soviet-inspired subversion.

This skeptical, critical attitude appears to have been concentrated in the "administrator-economist" grouping within the party and government who presumably were in a better position to appreciate the damage which the Sino-Soviet dispute had already inflicted on China's great power aspirations.
Premier Chou En-lai still favored re-establishing good relations with the USSR.*

Several other reports, however, indicate that feelings of doubt and apprehension were strongest among middle-level officials of the CCP, the People's Liberation Army and especially among China's intellectuals. It was at this time that the Vice-Governor of Kwangtung reportedly referred to "widespread support" for Soviet positions among more junior party members and warned of a purge if this trend continued. It was also at this time that the editor of a Chinese Communist newspaper in Hong Kong returned from a briefing in Canton to report that the Sino-Soviet dispute had resulted in "considerable loss of spirit and enthusiasm among people on the mainland who now feared that the lofty goals of industrialization, agricultural mechanization and great power status might never be realized."

There were even public, if oblique, references to the demoralizing effects of the anti-Soviet struggle at the time—for example, the admission in a 28 July China Youth article that "some of our youth are liable to become confused...and feel anxious..."

*It is interesting to note that Chou En-lai on several occasions in recent years has predicted quick victory for China in the Sino-Soviet conflict, most notably in his secret speech to the National People's Congress in April 1962 when he contended that Khrushchev "would be obliged within two years" to reassess his China policy and, by implication, resume military and economic assistance. Although hardly qualifying as evidence of "pro-Soviet" inclinations, this position does suggest considerable defensiveness in the face of domestic criticism as well as an effort to allay anxiety on the part of his audience.
about...certain concrete incidents appearing on the stage of international class struggle."

Hoping perhaps to capitalize on just such attitudes and tendencies, it is now known that Khrushchev made a bid for a truce by dispatching several conciliatory letters to the CCP in the fall and winter of 1962-63, including renewed offers of economic and technical assistance in exchange for a cessation of Chinese polemical attacks. As is also well known, the Chinese Communist response was to advance its 14 June "Proposal for a General Line for the International Communist Movement" which in effect called upon Communists everywhere to switch their allegiance from Moscow to Peiping. As noted earlier, it was ironic that Communist China should proclaim its right to lead the international Communist movement at just the point in time when failure to come up with a viable Third Five Year Plan had demonstrated its inability to chart an independent course of economic development.

Indeed, the new "general line" advanced by Communist China at this time was singularly devoid of theoretical or practical guidance in the organization and planning of socialist economic construction. Of the 25 points comprising this new program, only one dealt directly with this important subject and this was the negative prescription that "each socialist country must rely mainly on itself for its construction" (i.e. steer clear of such Soviet schemes to "integrate" bloc economies as CEMA.)

The remaining points bearing on the nature of socialist society all stressed the need to strengthen political and military controls; (the dictatorship of the proletariat) in order to guard against the machinations of class enemies and the ever present danger of "the restoration of capitalism." In keeping with these guidelines, Communist China's domestic policy in the latter half of 1963 would be characterized by an intensification of political pressures as the regime groped for new solutions to its perennial economic problems.