

**Decisions on the Development of
Agricultural Producers'
Cooperatives**

Adopted by

**The Central Committee of the
Communist Party of China**

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DECISIONS ON THE DEVELOPMENT OF AGRICULTURAL PRODUCERS' COOPERATIVES ADOPTED BY THE CENTRAL COMMITTEE OF THE COMMUNIST PARTY OF CHINA*

I

The carrying out in various parts of the country during the past two years of the "Decisions on Mutual Aid and Cooperation in Agricultural Production," adopted by the Central Committee of the Communist Party of China in December, 1951, has proved that the direction and policy defined in the "Decisions" are correct and conform to the general line of the Party in leading the Chinese people step by step to socialism.

The general line of the Party in the transition period calls for the gradual socialist industrialization of the country and the gradual socialist transformation of agriculture, handicraft production and capitalist industry and commerce. The development of our national economy in accordance with the general line requires not only the growth of industry but also a relative growth of agriculture. The development of the productive forces in agriculture, however, is hampered by the existing isolated, scattered, conservative and backward individual small-peasant economy. The growing contradictions between the individual small-peasant economy and socialist industrialization have come more and more to the fore. Small-scale agricultural production has shown ever more clearly that it cannot satisfy the demands of the broad peasant masses for a better life; nor can it meet the requirements of the growing national economy. In order to further expand the productive forces in agriculture, the fundamental task of the Party in the rural areas is to educate the peasants and to get them gradually organized by means of explanations and measures that are within their reach and understanding,

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

so as to carry out, step by step, the socialist transformation of agriculture. The aim is to transform the backward individual small-peasant economy in agriculture, which is capable only of small-scale production, into an advanced, cooperative economy capable of large-scale production, thus gradually overcoming the contradictions arising from the disproportion in the development of the two branches of economy—industry and agriculture; and also to enable all the peasants gradually and finally to shake off their poverty and attain a well-to-do and universally flourishing life.

As experience in our country has shown, the actual path taken by the peasants as they gradually organize themselves for production is as follows: the organization of temporary mutual-aid teams (which represent a simple form of collective labour) and of year-round mutual-aid teams (in which there is a certain division of labour and assignment of specific work on the basis of collective labour and a small amount of commonly-owned property); then of agricultural producers' cooperatives (in which the members pool their land as shares and there is unified management and a greater amount of commonly-owned property); and finally of agricultural producers' cooperatives of a still higher level (collective farms), which are completely socialist in character and based on the peasants' collective ownership of the means of production. The development of cooperation from embryonic socialist forms to forms more and more socialist in character and finally to the form of a completely socialist character—such is the path of the gradual socialist transformation of agriculture pointed out by our Party.

II

As pointed out by the Central Committee of the Party in its "Decisions on Mutual Aid and Cooperation in Agricultural Production," after the

peasants, led by the working class, overthrew the land ownership of the feudal landlords, they demonstrated their enthusiasm for production in two directions: in individual economy and in mutual aid and cooperation. These two directions reflect the dual character of the peasantry (mainly the middle peasants): they are at one and the same time toilers and property owners. The peasants' enthusiasm for mutual aid and cooperation, arising from the fact that they themselves are toilers, shows that they can be led to socialism; while their enthusiasm for an individual economy, arising from the fact that they are property owners and sellers of agricultural produce, indicates that they have a spontaneous tendency towards capitalism. As a result, it was inevitable that a struggle should have arisen in the rural areas between the path to socialism and the path to capitalism. With the restoration and gradual upswing of agricultural economy, this struggle has become more and more evident and can no longer be ignored. Our policy is actively and yet carefully to lead the peasants through a number of concrete, appropriate and varied transitional forms from their enthusiasm for an individual economy to enthusiasm for mutual aid and cooperation, thereby overcoming their spontaneous tendency towards capitalism (which stems from their individual economy) and gradually advancing them to socialism. It is possible to implement this policy for the following reasons: first, there is the leadership of the people's state power, headed by the working class, and of socialist industry; secondly, the peasants believe in the correctness of the leadership given by the working class, because they have already achieved liberation and won land under this leadership; thirdly, there is the common interest between the working class and the peasant masses and between the poor and middle peasants in that they are all striving or hoping to shake off capitalist exploitation which can only enrich the few through exploitation and speculation, while leaving the overwhelming majority of the people poor or bankrupt.

In the last few years, the movement for mutual aid and cooperation in agricultural production in our country has been expanding daily. Up to the present, more than 47,900,000 peasant households, constituting 43 per cent of all rural households, have joined temporary or year-round mutual-aid teams and agricultural producers' cooperatives. Of this number, over 273,000 households have joined the more than 14,000 agricultural producers' cooperatives. The movement for mutual aid and cooperation has developed unevenly in various areas, but the role it plays in general in promoting agricultural production proves that the

policy of the Party is steadily winning the support of the broad masses of labouring peasants and gradually turning possibility into reality. It has become clear that the Party must give active leadership in the transformation of the individual small-peasant economy and in the development of mutual aid and cooperation in agriculture, and that it must not remain passive and let things drift. If we remain passive and let the movement for mutual aid and cooperation drift, if we remain satisfied with the present condition of the small-peasant economy without showing it the correct, bright and broad path of socialist transformation, this drift will certainly lead us to abandon our socialist positions in the countryside, tend to help the spontaneous growth of capitalism there, and thus definitely hamper the growth of productive forces in agriculture and the steady improvement of the peasants' livelihood, upsetting the equilibrium between industry and agriculture, disrupting the planned economy and industrialization of the country, and undermining the worker-peasant alliance. It is obvious that such a policy and such a method would be wrong.

III

In order to continue the development of agricultural production and bring about a fresh upsurge in this respect and to further restrict and gradually eliminate capitalist exploitation in the rural areas, Party committees of all levels must conscientiously implement the "Decisions on Mutual Aid and Cooperation in Agricultural Production" adopted in December, 1951 by the Central Committee of the Party. In carrying out this task, they must take account of the diverse political, economic and cultural conditions prevailing in various areas and study the differences in the conditions of various localities and the difference in the rate at which the various types of mutual aid and cooperation are developing. At the same time, they must take into consideration the fact that in the past few years the development of the movement for mutual aid and cooperation in agriculture in various localities has this common feature: that not only are more and more peasant households being drawn into mutual aid and cooperation but also that there has been a marked improvement in its quality as expressed in the increase of the number of year-round mutual-aid teams, and particularly in the experimentation with and development, on various scales and in different areas, of agricultural producers' cooperatives which are characterized by the pooling of land as shares and by unified management. In the course of such experimentation and initial development, these agricultural producers' cooperatives have already fully revealed their

superiority and the important role which they can play in the following ways:

1. Agricultural producers' cooperatives can solve certain contradictions which are difficult for mutual-aid teams to overcome, particularly the contradiction between collective labour and scattered management, thereby showing the right way forward for the mutual-aid teams which have attained a certain degree of development.

2. Unified management of land makes it possible to plant crops on the soil best suited for them; to carry out division of labour and assignment of specific work on the basis of collective labour in a more reasonable and planned way than is done by the mutual-aid teams, and to pool labour power rationally for unified utilization, thus providing conditions for greatly raising the productivity of labour.

3. With centralized management, more labour power and economic power are at the disposal of the cooperative, and this enables it to make fuller and better use of new farming techniques, facilitates the improvement of farming techniques and agricultural capital construction, and thus helps gradually and efficiently to carry out expanded reproduction in agriculture.

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 to strengthen the economic position of the peasants.

5. By following to some extent the system of distributing income according to the amount of work done, agricultural producers' cooperatives greatly stimulate the initiative and creative activity of the peasants in their work and in learning new techniques.

6. Agricultural producers' cooperatives are able to ensure unity between the poor and middle peasants, and are thus in a better position to wage a struggle against capitalist activities and against the differentiation into rich and poor in the rural areas.

7. Agricultural producers' cooperatives are able to advance step by step towards planned production and thus create conditions which facilitate coordination with the state-owned socialist economy in the fields of supply, production and marketing, thereby creating favourable conditions for integrating agricultural production into the state economic plan.

8. Because of their "correct direction, and increased output and income," the agricultural pro-

ducers' cooperatives can lead the individual peasants, in greater numbers and at a more rapid rate, to take the road of mutual-aid teams and thus pave the way for the development of still more agricultural producers' cooperatives.

9. Owing to the advantages of collective management and the growing improvement of the peasants' standard of living, agricultural producers' cooperatives can become an excellent school for educating the peasants in collectivism and patriotism in the economic sphere and in their day-to-day relations with each other.

10. In view of the above, it is possible for the existing agricultural producers' cooperatives to become the proper form for leading the peasants to develop cooperatives of a more advanced type (collective farms) which are completely socialist in character. That is to say, they represent a transitional form through which the peasants can be induced to advance naturally and willingly to socialism. This form will enable individual peasants and those who have become members of mutual-aid teams to be quite prepared in advance, both materially and spiritually, for the day when they arrive at a completely socialist agricultural economy, instead of being taken by surprise, thus avoiding various losses which might occur in the course of a sudden change.

The superiority of agricultural producers' cooperatives and the role they play give them an increasingly important position in the present movement for mutual aid and cooperation as a whole, and they are becoming a vital link in our task of leading the movement forward. The Central Committee therefore considers it necessary for the Party committees of all levels to pay greater attention to giving leadership to the development of agricultural producers' cooperatives, and to creating, in accordance with the state of affairs prevailing in various areas, conditions for steadily experimenting with and promoting such cooperatives. Such leadership must be guided, as usual, by the policy "only successes are permissible, no failures," thus pushing forward the whole movement for mutual aid and cooperation. At present, Party committees in a number of areas pay far too little attention to this question, and give too little or no leadership at all in it. This state of affairs must be changed.

IV

The development of cooperation in agricultural production must be guided, everywhere and at all times, by the basic principle that it should be voluntary on the part of the peasants. It is absolutely

impermissible to attempt to carry out the socialist transformation of small-peasant economy merely by issuing a call from above. Still less is it permissible to order and force the poor and middle peasants to join the cooperatives, or to take away the peasants' means of production and put them under collective ownership. Compulsion and commandism and expropriating the peasants' means of production are criminal acts which disrupt the alliance of the workers and peasants and the alliance of the poor and middle peasants; they are, therefore, acts which undermine cooperation in agricultural production without bringing it the slightest benefit.

Blind, rash adventurism is totally wrong.

It is imperative that we use persuasion, set good examples and provide state assistance to induce the peasants to organize themselves on a voluntary basis.

We should turn to account the everyday life and personal experiences of the peasants to instil in them the ideas of socialism and cooperation, and constantly to remind them that individual farming has no future inasmuch as by itself it cannot overcome natural calamities and other difficulties; that it cannot bring about the constant expanded reproduction of agriculture, and that even when it is capable of bringing about an increase in production, any such increase can only be very limited. The system of individual farming must, in the long run, turn the majority of peasants into victims of exploitation and speculation by rich peasants, usurers and merchant capitalists, causing them once again to lose their land. Cooperation in agricultural production, therefore, is the only way out for the peasants because it is the only thing that can help them to surmount the difficulties which accompany individual farming, ensure the constant expanded reproduction of agriculture, and, along with socialist industrialization, satisfy the continuously growing material and cultural requirements of the whole of society, including those of the peasants themselves.

The peasants can best be convinced by concrete, practical examples. 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" is the best possible thing.

The "communes . . . must be so organized as to gain the confidence of the peasants." Therefore, in the movement for the development of agricultural producers' cooperatives, the principle of experimenting, of having the leadership set good ex-

amples from above for the lower levels, and of steadily consolidating the results and spreading the experience gained in the movement is completely correct. Without any exception, each province and county where the land reform has been completed must pay serious attention and give guidance to the successful organization of a certain number of agricultural producers' cooperatives. These agricultural producers' cooperatives must be managed in such a proper manner as to prove by their actual operation and the display of their strength that they are superior to individual farming and mutual-aid teams, and consequently, that they are capable of uniting and helping the latter. This will enable the peasants to see with their own eyes that the cooperatives really serve their interests; and, where affairs both inside and outside the cooperatives are carried on reasonably and justly, it will induce the peasant masses to incline to socialism.

At the same time, just as Lenin has also pointed out,

. . . we know that these cooperatives, 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 taking into account the relations between peasants organized in mutual-aid teams and agricultural producers' cooperatives and those working individually, must, in accordance with actual requirements and possibilities, render appropriate material assistance to the agricultural producers' cooperatives, such as the extension of agricultural loans at low interest rates, the building of irrigation projects, the establishment of stations for popularizing good agricultural techniques and of new-type farm implement stations on a comparatively large scale, etc. Such assistance will enable the peasants very quickly to realize the practical advantages of the cooperatives and will thus considerably stimulate their growth.

It is evident that, by adopting the series of measures mentioned above, we will be able to avoid errors of rash adventurism and lead the peasants to develop cooperation in agricultural production on a voluntary basis and in a sound way, that is, to develop cooperatives from lower to higher forms, increase their size from small to large, steadily increase their number and spread them from single points to whole areas. We will also be able to win over the peasant masses—at first a small part, then a big part, and finally all — to follow us in our march towards socialism. So long as we do our work properly, the peasants will advance at a relatively quick pace.

V

To ensure the success of the agricultural producers' cooperatives, we must pay attention to the following important points:

1. The basic criteria of the success of agricultural producers' cooperatives are the increases in their production and in the income of their members; increases that will cause the peasants to recognize that the economic prosperity of the cooperatives is the main source of their own continually growing material and cultural well-being. To this end, the agricultural producers' cooperatives must, as far as practicable, raise labour productivity by making full use of the favourable conditions they enjoy, thereby developing the social productive forces in agriculture.

a) Agricultural capital construction and improved farming techniques form the material basis on which the output of agricultural producers' cooperatives can be raised, the members' living standards bettered and their ability to fight natural calamities increased. Such work must be tackled step by step, according to the actual conditions in a given locality and in the cooperatives concerned. In general, the development should be by expansion from a small to a comparatively large scale and from improved or only partially improved techniques to advanced techniques. Agricultural producers' cooperatives in various places have for the past few years been building small-scale irrigation projects, converting dry land into irrigated land, undertaking intensive cultivation and soil amelioration, buying new-type farm implements, using improved seeds, introducing close-planting in a proper way, actively storing compost and properly applying it to the land, fighting insect pests and developing animal husbandry and afforestation. All this has played a big role in raising output, demonstrated the superiority of collective farming and provided a proper outlet for part of the peasants' surplus labour power. Therefore, in order to lay a permanent, solid foundation for raising production, agricultural producers' cooperatives in various localities should analyse the experience gained in such activities and find concrete ways of continuously increasing their output by properly adapting this experience to the practical conditions of the locality and of their own cooperatives and by studying the experience gained in other branches of production. They must guard against the mistake of doing such work in a formalistic and mechanical way.

b) On condition that the main stress is laid on the development of agricultural production, agricultural producers' cooperatives may apply their surplus labour power and surplus funds to the development of subsidiary occupations in such a way as to contribute to the expansion of agricultural production.

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

2. Improvement in the management of agricultural producers' cooperatives 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 for raising labour productivity.

a) Labour power must be employed in a rational way. The forms of labour organization must be determined by the size of the cooperative, the needs of production, the amount of labour power available and possibilities for further development. For instance, the system of temporary division of labour among production groups might at first be adopted, and then, on the basis of the experience gained by the masses, the system of forming year-round, permanent production teams and brigades to be responsible for the cultivation of specific plots of land on a seasonal basis might gradually be introduced. Where cooperatives have tentatively adopted the system of forming production units to be responsible for cultivation and harvesting specific plots of land on a year-round basis, the masses 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 members of the cooperative before any plan is decided upon and before each team or brigade is assigned its share and type of work. Those who overfulfil their quota shall be rewarded, and with regard to

those who fail to fulfil their task, measures appropriate to the concrete conditions should be taken. All such measures should, however, be discussed and decided upon by the members of the cooperative.

Proper attention should be paid to organizing the labour power of women and people who are able only to do auxiliary work, so that they too can take part in various kinds of work.

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 cooperative members.

One method of assessing the work done and allotting the points for each workday, popular among many cooperatives, is first to work out a certain number of points for each member according to his known capacity for work and skill, and then to decide how many points he is actually to receive according to the quantity and quality of the work done. Payment is made according to the number of points thus earned. (This method is known as the method of "fixed rates with 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 members of each cooperative themselves to make proper use of these two 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, planting of crops, agricultural capital construction, improvement of agricultural techniques, labour organization, development of subsidiary occupations, collaboration with supply and marketing cooperatives, advancement of cultural matters and public health—must all 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 with 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 cooperation or collective work, and whatever they do not wish to so 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 cooperative and the use of agricultural loans must be decided upon after democratic discussion. Depending on the size of the expenditure, the power of approval rests either with the general meeting of the cooperative or with the cooperative's council which renders its decision after discussion. All accounts must be properly entered into the books and made public at regular intervals, so that they will be subject to constant supervision by the members.

A basic principle in the management of a socialist enterprise is the practice of economy; this is also the basic principle in the management of an agricultural producers' cooperative. In order to avoid excessive production costs, the cooperative must economize in its expenditure, reduce miscellaneous expenses, eradicate corruption and waste, and guard against hasty investments.

e) Certain essential and practicable systems to clearly define responsibility for all kinds of work should be instituted and enforced (e.g., division of labour and defined responsibility in matters of leadership; and defined responsibility for production, for the use and feeding of draught animals and the use and custody of farm implements, for supervision of work, cultural activities, public health, etc.). Regulations for rewards and penalties should be formulated. Such systems and regulations are designed to strengthen labour discipline and to combat absenteeism, delays and poor organization resulting in holding up the work, damage and waste of commonly-owned property and the absence of definite responsibility

for a given task. Through organization and systems, the interests of individual members will be further integrated with the interests of the cooperative as a whole.

f) To improve the various aspects of work involved in managing an agricultural producers' cooperative as described above, one or two persons of good character, having ability to unite with the masses, 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 agricultural producers' cooperatives 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 the present form of agricultural producers' cooperatives. It is a transitional form of cooperative, which will lead to complete socialization, and has a dual character: including both private and cooperative 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' cooperative 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 raise 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 cooperative 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 cooperative. 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 cooperative, 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 cooperative.

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 concrete conditions and subject to agreement of the membership. In the beginning, rental is generally the most suitable form. It is also permissible for members to pool their animals and tools as shares in the cooperative and to receive a bonus for them. This is a form already adopted by some cooperatives. The practice of buying animals and tools at a definite price from the members should not be advocated indiscriminately. This should be done only when the members are really willing and when the cooperative 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 hidden exploitation by rich peasants, and that the owners of draught animals and farm tools will 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 cooperative. 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 and from agricultural production should be combined for distribution. However, care should be taken to provide relatively higher remuneration for those types of subsidiary occupations which require a relatively high degree of skill.

e) In accumulating commonly-owned property and building up the reserve and welfare funds, the principle of proceeding from the small to the large must be adopted, in accordance with the wishes and financial conditions of the members and the year by year development of production and on condition that a definite rise in the real income of the cooperative members is assured. In this way, the collective interests of the cooperative will be closely linked together with the individual interests of each member.

To summarize what has been said above, the important tasks involved in the success of an agricultural producers' cooperative are: to strive for increased production, gradually to improve the management, and to see that income is distributed reasonably. To ensure the correct and efficient execution of these tasks, it is necessary to have the leadership of the Party and the coordinated efforts in the political work. In developing agricultural producers' cooperatives, the Party committees at all levels must make a serious study of the experience gained in such work and adopt appropriate concrete measures, according to the actual conditions of development of individual cooperatives and of the locality. Party committees must constantly draw conclusions from the experience gained by the masses and, on this basis, further improve their work. Leading organizations must not subjectively set norms and requirements that are divorced from or exceed the understanding of the masses gained from their own experience; nor should they force the adoption of norms and requirements which the masses will find hard to accept. In already existing agricultural producers' cooperatives, our attitude should be to work carefully and systematically, rather than rashly and impetuously, for the consolidation and improvement of these cooperatives, so as to render them assistance according to circumstances. Cooperatives that are already successful must be enabled to work still better, so that

every plot of land in the cooperative is well utilized and improved. Cooperatives which have relatively more defects and difficulties must be helped to overcome them, so that they too can gradually achieve success.

VI

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

The Party committees in all localities must give close attention to the study and utilization of the traditional practices and forms of mutual aid among the peasants and help them to organize on a gradually increasing scale in order to overcome difficulties in agricultural production. In developing the mutual-aid movement, Party committees must gradually reform and improve upon these practices and forms of mutual aid, and replace unreasonable features by reasonable ones. We must bear in mind that to organize individual peasants into mutual-aid teams and to help operate these teams successfully means that we have to create the conditions for guiding them towards development into agricultural producers' cooperatives, and later bringing about the complete socialist transformation of agriculture. It would be a serious mistake to neglect the work of mutual-aid teams through failure to regard them as a rudimentary transitional form leading the peasants gradually towards a fully socialist transformation.

Consideration should be given to the fact that, in certain places which are economically and culturally relatively well developed or where the necessary conditions exist among the masses, agricultural producers' cooperatives may be set up without going through the stage of mutual-aid teams; or agricultural producers' cooperatives may develop more rapidly than in other places. Even so, we still must not overlook the work of mutual-aid teams.

VII

In developing the mutual-aid and cooperative 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 Cooperation in Agricultural Production." We must pursue the policy of giving due consideration to the productive initiative of the individual peasants, extending them loans where necessary and technical assistance where possible to bring their latent productive forces into fuller play, and to help them overcome difficulties and avoid exploitation by rich peasants, usurers and profiteers. Every mutual-aid and cooperative organization should be turned into a nucleus around which the individual peasants rally. As is pointed out in the "Decisions on Mutual Aid and Cooperation 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 cooperative 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 cooperative organizations to range themselves against individual peasants, or to ignore altogether their potential productive forces.

VIII

Mutual aid and cooperation in agricultural production, supply and marketing cooperatives and credit cooperatives — such are the three forms of cooperation in the rural areas. These three forms of cooperation have different but complementary functions, are linked together and stimulate one another. They are gradually linking the rural economy with the national plan of economic construction, and transforming the small-peasant economy on the basis of cooperation in production.

Exploitation through trade, through grain hoarding and speculation and through usury are at present the main forms of capitalist activity in the countryside. The supply and marketing cooperatives and the credit cooperatives, therefore, have great responsibilities. Under the leadership of the state-owned economy, they should gradually help the peasant masses rid themselves of these forms of exploitation, and render assistance to the state in its tasks of purchasing grain and other agricultural produce. They should also endeavour to supply the

rural areas with means of production and with consumer goods, develop savings among the peasants and extend low-interest loans to them, thus acting in the interests of agricultural production and promoting the development of the mutual-aid and cooperative movement.

Supply and marketing cooperatives in the rural areas should further enhance and strengthen their links with the mutual-aid teams and agricultural producers' cooperatives by concluding "link-contracts"* with them on a wider scale for supply, production and sale.

Credit cooperatives in the rural areas, in their present stage of development, take various forms: e.g., the credit team, the credit cooperative and the credit department of the supply and marketing cooperative. These credit cooperative organizations should be further developed and improved so that they can be more closely coordinated with mutual aid and cooperation in agricultural production, and thus give systematic support to the movement for agricultural cooperation.

Handicraft production at the present stage plays a very important role in the supply of the means of production and consumer goods to the rural areas. Supply and marketing cooperatives and credit cooperatives should foster the development of the necessary local handicraft production, laying particular stress on the development of handicraft cooperatives.

IX

The development of the mutual-aid and cooperative movement to raise the productive forces in agriculture is thus the central task of the Party in leading rural work. All Party organizations in the rural areas—district and county Party committees, most of the regional Party committees and the provincial Party committees whose work lies chiefly in the administration of the countryside—and all Party cadres above the provincial level engaged in rural work, should gradually shift the main emphasis in their work to this task. They should carry through the Party's present policy, that is, to rely on the firm alliance between the poor and middle peasants, to develop mutual aid and cooperation step by step, and to restrict exploitation by the rich peas-

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

ants, closely interweaving the political work of the Party with its economic work so as to systematically bring about the socialist transformation of agriculture.

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 cooperation in agriculture, in which special attention should be paid to the drafting of plans for the development of agricultural producers' cooperatives. In formulating these plans, they should follow the general policy of the Central Committee of the Party in economic construction. The steps of development and the target figures for each locality should be fixed only after a serious study has been made of the specific conditions in different places. Then, the plans will be well based.

According to the target figures set for the development of agricultural producers' cooperatives by the leading organs of the Party in each Greater Administrative Area for the period from the winter of 1953 to the late summer of 1954 (before the autumn harvest), the total number of agricultural producers' cooperatives in the country will increase from more than 14,000 to more than 35,800. Of this number, the number of agricultural producers' cooperatives in North China will increase from 6,186 to more than 12,400; in Northeast China, from 4,817 to 10,000; in East China, from 3,301 to more than 8,300; in Central-South China, from 527 to more than 3,600; in Northwest China, from 302 to more than 700; and in Southwest China, from 59 to more than 600. The Central Committee of the Party has approved these target figures and charges Party committees at the various levels to strive for the fulfilment of these plans.

On the basis of the year-by-year development of the mutual-aid and cooperative movement in the period of the first five-year plan, that is to say, by the year 1957, our aim is to increase the number of agricultural producers' cooperatives throughout the country to about 800,000 with a membership of about 20 per cent of all peasant households. Upon the completion of the first five-year plan, agricultural producers' cooperatives may possibly become the chief, or almost the chief, mode of agricultural production in some areas; while in others, it will be possible for them to develop only to a certain extent.

The five-year plan should include in its scope the state farms, stations for popularizing good agricultural techniques, new-type farm implement stations, pumping stations and tractor stations, all of which will be set up in various places; and the agricultural producers' cooperatives of a com-

pletely socialist character (i.e., collective farms), which will be set up experimentally in places where conditions are most favourable. It should likewise include the supply and marketing cooperatives and credit cooperatives.

2. The county Party committee should be the chief link in leading the mutual-aid and cooperative movement. Party committees at various levels should discuss their work in the agricultural mutual-aid and cooperative 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 work and must assign a certain number of capable cadres to make a regular study of materials on the mutual-aid and cooperative movement and help Party branches at district and *hsiang* levels to solve problems arising in the mutual-aid and cooperative 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 cooperative movement, and must guide both the working personnel in the mutual-aid and cooperative movement and the cadres of district and *hsiang* levels in studying such policies and methods and in acquiring the necessary general knowledge of agricultural techniques. The county Party committee must learn to educate and organize Party members and Youth League members so that they can play a leading role in mutual-aid teams and agricultural producers' cooperatives.

3. Party committees of the regional and county and, where possible, district levels, should systematically open short-term training courses in mutual aid and cooperation during the agricultural slack seasons; they should enlist just-minded and capable activists from among the masses to attend these classes in order to train ever larger numbers of working personnel to lead the mutual-aid and cooperative movement. Local people's governments should, wherever conditions permit, open training classes in agricultural techniques and accounting.

4. Party committees at various levels should regard the holding at regular intervals of representative conferences on agricultural mutual aid and cooperation at various levels, conferences on agricultural techniques, various discussion meetings, etc. as an important means to educate the masses and cadres. The agenda of the representative conferences should consist chiefly of the following: exchange of experiences; publicity and commendation for those who have worked well; criticism and help for those who have worked badly; election of model peasants; education on ideology and policy, mobilization for the fulfilment of tasks—and all this should be directed

towards promoting the development of agricultural mutual-aid teams and agricultural producers' cooperatives. The agenda of technical conferences should consist chiefly of the systematization, improvement and popularization of the farming techniques used by the masses and the introduction of new technical knowledge and experience.

Party committees at various levels should regard summarized experience in production and organization as important material for educating the cadres, Party members and activists from the masses.

5. In carrying out work relating to agricultural producers' cooperatives, village Party organizations must skilfully draw examples from the life of the cooperative members, so as to constantly educate them to realize 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 means exploitation of the great majority by the few, enabling the few to enjoy a prosperous life while the vast majority are impoverished. Village Party organizations should also educate cooperative 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, making 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 income to improve their standard of living; and make them realize the disgrace of having one's income reduced as a result of laziness. In addition to this, village Party organizations should also educate the members of cooperatives strictly to observe labour discipline and consolidate unity among themselves, especially the unity between the poor and middle peasants and the unity between new and old members of the cooperatives. It is also a task of village Party organizations to educate the members of the agricultural producers' cooperatives, 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 wholehearted 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 also be practised to solve all problems in their way of thinking or in their daily lives. These are tasks that must be undertaken to enlighten coopera-

tive members so as to steadily raise their consciousness of the socialist future; to unceasingly eliminate the bad influences of the rich peasants, and consistently help cooperative members to overcome their individualist ideas. In this way the position of agricultural producers' cooperatives will be further consolidated.

X

The Central Committee of the Party has repeatedly pointed out that the watchword with regard to all work relating to the mutual-aid and cooperative movement and with regard to the task of gradually bringing about the socialist transformation of agriculture, is active leadership and steady progress in these tasks. 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 subjectivism and commandism must not be committed; the leading organs must acquire thorough knowledge of the excellent examples which have existed for some time or been newly evolved in the mutual-aid and cooperative movement of various higher and lower forms in various 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 elevation to still higher forms. It would be an error to go forward blindly, aiming only at increasing the number and size and at higher forms, rather than to exert efforts to set up examples according to concrete 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 experiences, many or few, have been acquired by various places 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 cooperative movement onto the correct path as laid down by the Central Committee of the Party so as to systematically 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 coordination with the progress of socialist industrialization, to be carried forward successfully to the era of socialism in our country.