

Mao Tsetung's Immortal Contributions

Part 3: Political Economy, Economic Policy And Socialist Construction

Introduction

As pointed out in the two previous articles in this series (Revolution April-May and June, 1978 dealing with Mao's line on revolution in colonial and semi-colonial countries and on revolutionary war and military line respectively) one of the specific features—and specific advantages—of the Chinese revolution was that from a very early stage the revolutionary forces, led by the Communist Party, established liberated areas which served as a base for waging war against the reactionary enemy. In order to maintain these liberated base areas and make them as powerful as possible a foundation for waging revolutionary war, in order to unleash the activism of the masses in these areas—and ultimately in the whole country—in the revolutionary struggle and as the backbone of that struggle, and in order to unite all real friends against the enemy at every point, it was necessary not only to have a correct political line generally, and not only to have in particular a correct military line; it was also necessary to forge and apply a correct line on questions of political economy, economic policy and construction.

As pointed out in the first article in this series, at a very early point in the Chinese revolution (1926) Mao made a basic analysis of classes in Chinese society, exactly for the purpose of determining friends and enemies in the revolution at that stage. Such class analysis is an important part of Marxism and Marxist political economy in particular as well as an urgent task at each decisive stage in the development of the revolution. And throughout the various stages (and sub-stages) of the Chinese revolution Mao devoted serious attention to this problem.

In addition, from the time of the establishment of the first base area (1927) Mao, in leading the revolutionary struggle, had to and did devote serious attention to economic policy and to specific guidelines for economic construction. And through the course of more than 20 years, from the time of the establishment of the first base area to the winning of nationwide political power in 1949, Mao and the Chinese Communist Party accumulated rich experience in carrying out revolution on the economic battlefield and on that basis developing production. This was to serve as an important part of the foundation for Mao's development of a revolutionary line on these crucial questions during the socialist period following the seizure of power. Further, many of the basic principles of military line and strategy which Mao developed in leading the Chinese people during the long years of revolutionary war leading up to the seizure of nationwide political power were applied by Mao to the problems of economic policy and construction both in the liberated areas during the period of the new-democratic revolution and in the country as a whole in the socialist period which followed.

All this is another aspect of the phenomenon that the new-democratic revolution served as the preparation for and prologue to socialism in China. But, of course, upon entering the socialist period new tasks presented themselves, new problems which had to be solved in order to continue to advance. As always, in addressing himself to and providing solutions for these problems, Mao not only applied the rich lessons of the Chinese revolution but assimilated and applied the lessons of the positive and negative experience of other revolutions and in particular of the Soviet Union, the world's first socialist state. In this process he not only applied and defended but developed and enriched basic principles of Marxism-Leninism. This is certainly true with regard to the questions of political economy, economic policy and socialist construction.

These questions and Mao's great contributions in these areas constitute of course a big subject. To go fully into it is beyond the scope of this article. (The closely related question of Mao's great theory of "continuing the revolution under the dictatorship of the proletariat" will be dealt with in a subsequent article in this series.) Here attention will be focused on summarizing main points, leaving further and more detailed and specific analysis for other times and places.

Marxist Political Economy

As Mao himself was to say, "Political economy aims to study the production relations." ("Reading Notes on the Soviet Text *Political Economy*," from A

Critique of Soviet Economics, three articles by Mao Tsetung, *Monthly Review Press*, 1977, translation by Moss Roberts, p.110) Karl Marx, with the collaboration of Frederick Engels, in founding the revolutionary science of the proletariat first developed socialist political economy as a key component part of this science. Marx penetrated beneath the thousands of surface phenomena of capitalism and analyzed the essential relations that characterize this form of society. As Mao pointed out, "Marx began with the commodity and went on to reveal the relations among people hidden behind commodities..." (*Ibid.*)

Proceeding from this, in his famous work *Capital* and elsewhere, Marx laid bare the basic contradiction of capitalism between social production and private ownership and the secret of capitalist accumulation—the exploitation of the wage-workers in the process of production by the capitalist owners of the means of production to create surplus value appropriated privately by these capitalists.

Marx showed that this capitalist mode of production was not, as its apologists proclaimed, the highest, most perfect and final stage of society, but merely represented the latest of "particular historical phases in the development of production." (letter to J. Weydemeyer, March 5, 1852) It was bound to be superseded by a new, higher mode of production—communism—which would represent a qualitative leap for mankind, characterized by the elimination of all class distinctions and a tremendous and continuous advance of the social forces of production.

Communism was bound to replace capitalism, Marx demonstrated, not because communism represented a more "just" or a "utopian" form of society, but because the progress of mankind through all previous historical phases in the development of production, up to capitalism, had prepared the basis for communism, and because the fundamental contradiction of capitalism would continually throw society into ever greater chaos and crisis, with the development of the social productive forces straining to burst the confines of the relations of production—in particular private capitalist ownership—until this contradiction was resolved in the only way it could be: through the abolition of the capitalist system of private ownership and the conversion of all means of production into the common property of society.

To accomplish this required, Marx further showed, a political revolution in which the exploited proletariat overthrew the capitalist class, smashed the capitalists' state machinery, established its own state—the revolutionary dictatorship of the proletariat—and advanced to "the abolition of class distinctions generally, to the abolition of all the relations of production on which they rest, to the abolition of all the social relations that correspond to these relations of production, to the revolutionizing of all the ideas that result from these social relations." (Karl Marx, "The Class Struggles In France, 1848 to 1850," in Marx and Engels *Selected Works*, Vol. I, p. 282; also quoted in *On Khrushchov's Phoney Communism And Its Historical Lessons For The World*, by the Chinese Communist Party, under Mao's leadership, p. 15)

Unfortunately, however, neither Marx nor Engels lived to see the period when the proletariat, having seized power, began the process of carrying out this unprecedented transformation of society. With the exception of the Paris Commune in 1871, no proletarian state was established during their lifetimes and the Paris Commune itself lasted only a few months before it was smashed by the forces of counter-revolution.

Lenin's Contribution to Political Economy

But at that very time capitalism was, in a number of countries, beginning to develop towards its highest and final stage—imperialism. It was Lenin who thoroughly analyzed this development and proved in opposition to various opportunists—including Karl Kautsky, who had been a close collaborator of Engels but had turned into a counter-revolutionary in the latter part of his life—that imperialism did not eliminate or somehow dilute the basic contradiction of capitalism but raised it to a higher level. Imperialism, Lenin showed, was not only the highest stage of capitalism, it was also the eve of proletarian revolution. And Lenin led the proletariat of Russia in making the first successful proletarian revolution, in establishing the first socialist state

which began the process of transition to communism.

Lenin developed Marxism—and, as a key component part of this, Marxist political economy—to a new and higher stage. Marxism became Marxism-Leninism.

Further, for the brief period between the seizure of power in Russia in 1917 and his death in 1924, Lenin applied these scientific principles to the concrete problems confronting the new socialist state, including in the crucial sphere of economic policy and construction. Lenin set forth the basic orientation and direction that would guide the proletariat of the Soviet Union in carrying out the transformation of ownership from capitalist to socialist in town and countryside and lead to the high-speed development of the socialist economy.

During the Civil War and the imperialist intervention following the October Revolution, Lenin developed the policy of War Communism. This immediately concentrated ownership and the lifelines of the economy in the hands of the proletarian state and enabled the victorious proletariat to maintain a sufficient material base to defeat the domestic and foreign reactionaries that had ganged up against it and to lay the basis for developing the economy following the war. At the same time, it required tremendous sacrifice on the part of the Russian workers and peasants and, with regard to the latter in particular, put severe strains on them in the form of state appropriation of their surplus grain.

After the civil war, Lenin recognized that the policy of War Communism, while it had contributed to victory in the war, had also raced ahead of the material as well as political, ideological and organizational conditions. He called for a retreat, to prepare the conditions for a future advance. This retreat was embodied in the New Economic Policy (NEP). This new policy abandoned the surplus grain appropriation policy and replaced it with a tax (the tax in kind) as the means for the state to secure grain.

The NEP embodied considerable concessions to capitalism—both domestic and foreign, in both city and countryside. It allowed foreign capitalists to operate in the country and even lured them with the prospect of high profits. It permitted domestic capitalists to operate certain businesses. Even within state-owned enterprises it involved the practices of one-man management, reliance on bourgeois experts, specialists and executives, and the widespread use of such things as piece-work and many rules and regulations similar to those in capitalist factories (many of these management policies had actually been part of War Communism as well).

All this was necessary to achieve in the shortest possible time the rehabilitation of the economy, which had been shattered and in many places brought virtually to a standstill during the course of the civil war, with many workers dislodged from production and becoming virtually declassed. It was necessary to strengthen the proletariat and the proletarian state politically as well as economically. At the same time, however, the proletariat, through its state power, maintained control over finance and trade and placed restrictions on the operation of private capital in town and countryside. And Lenin stressed the importance during this period of establishing and developing producers and consumers' cooperatives to lay the basis for collectivization in the countryside and the general advance to socialist relations in the near future. In this way, the Soviet Union advanced economically through the state capitalism of the NEP to socialism.

Lenin was very open about the fact that the NEP represented a retreat and a concession in the short run to capitalism. It was justified and necessary, he argued, because of the specific conditions in the country at that time. It was not a grand plan for developing the country into a powerful modern socialist state, nor were its basic policies meant to apply to socialist construction, as revisionists since Khrushchev's time have been known to claim. It was the means for creating the conditions in a brief period for the advance to a socialist economy, for an assault on strategic positions of capitalism.

Socialist Construction Under Stalin

During the very last part of his life Lenin fell seriously ill and was no longer able to give leadership

to the day to day affairs of the Party and state. It was Stalin who took the helm, carried forward the NEP and led in the advance to socialist industrialization and development of agriculture. In carrying this out, Stalin also led the fierce and continuing struggle within the Party against the likes of Trotsky, Kamenev, Zinoviev and Bukharin, opportunists who opposed now from one side and now the other the correct road forward.

Trotsky, and along with him Kamenev and Zinoviev, peddled the "theory of productive forces," arguing that it was impossible to construct socialism in the Soviet Republic because it was economically and technically too backward. This line had, in part, a thin "left" cover by insisting that immediate revolution in Europe was required for socialism to survive in Russia. However the rightist essence of this line was barely below the surface. On the other hand, Trotsky opposed the NEP by clamoring for policies of exploiting the peasants to achieve industrialization and organizing military-like conditions in the factories to force the workers to boost production; and he even called for extending the granting of foreign concessions to strategic plants and branches of industry, thus, as Stalin put it, trying to "throw ourselves on the tender mercies of foreign capitalists." (*History of The Communist Party Of The Soviet Union (Bolsheviks)* [HCPSU], p.262)

Later, when the Party had formulated and embarked on the policy of carrying out socialist industrialization of the country on the basis of a revived agriculture, Trotsky, in league with Zinoviev and others, charged that industrialization was not being carried out fast enough. But in reality they were fully opposed to socialist industrialization and tried to undermine it by pitting the mass of peasants against the working class, calling in fact for reliance on the rich peasants, the capitalist forces in the countryside. From all this it can be seen that the distinguishing feature of Trotsky, and what enables one to recognize the real followers of Trotsky, is the consistent absence of principles except careerism and lack of faith in the masses and a fundamental unity with the right.

This was demonstrated in the fact that Trotsky's line of relying on capitalist forces with regard to industry and agriculture was very similar to that of Bukharin, who during the NEP and afterward pushed the line of building up the bourgeoisie according to the notion of "the peaceful growing of the bourgeoisie into Socialism, amplifying it with a 'new' slogan—'Get Rich!'" (*HCPSU*, p. 275) Bukharin especially championed this right opportunism with regard to the countryside, arguing straight out for a policy which, like the essence of Trotsky's line, meant fostering and relying on the capitalist elements, the Kulaks.

Stalin led the Soviet Party in defeating these various bourgeois lines and in carrying out socialist industrialization and the step by step collectivization of agriculture. Neither of these, of course, had been accomplished before in history; and in particular the successful collectivization of agriculture, involving the most acute class struggle inside and outside the Party, was a monumental task and of decisive importance for the building of socialism in the Soviet Union. For Russia at the time of the October Revolution was largely a peasant country with a backward countryside, including large-scale survivals of feudal relations, even though it had been an imperialist country.

To bring about socialist collectivization together with socialist industrialization and transform the Soviet Union from a relatively backward to an advanced country economically—all of which was accomplished in the two decades between the end of the civil war in Russia and WW2—was a great achievement of the Soviet working class and people under the leadership of Stalin. And it had much to do with the Soviet Union's ability to defeat the Nazi invaders in WW2, another great achievement of the Soviet people carried out under Stalin's leadership.

At the same time, in giving leadership to an unprecedented task of such tremendous proportions—the socialization, transformation and rapid development of the economy of such a large and complex country as the Soviet Union under the conditions where it was the only socialist state in a world still dominated by imperialism—Stalin did make certain errors. To a significant degree this is explainable by the very fact that there was no historical precedent for this task, no previous experience (and previous errors) to learn from. On the other hand, as Mao has summed up, certain of Stalin's errors, including in the sphere of political economy, economic policy and socialist construction, arose because and to the extent that Stalin failed to thoroughly apply materialist dialectics to solving many genuinely new problems that did arise.

Owing largely to this, especially in the period of the 1930s—after collectivization in agriculture and socialist transformation of ownership in industry had been essentially completed—Stalin himself adopted aspects of the "theory of productive forces." He developed first the slogan that "technique decides everything" and then the related concept that, with modern technique, cadres capable of mastering this technology decide everything.

This seriously downplays the question of politics, in fact goes against the line of politics in command, and also downplays the role of the masses and specifically the need to rely on the conscious activism of the masses in socialist production as in everything else. Along with this, while he led in carrying out collectivization in the countryside in the late 1920s, Stalin tended to develop industry at the expense of agriculture, leaving the peasants too few funds for ac-

cumulation through their own efforts.

Stalin also continued many of the policies that had been introduced during the NEP (or before, during War Communism), such as extensive use of piece-work, bonuses, one-man management, experts in command, and so forth. In essence Stalin put one-sided emphasis on the question of ownership, which is the most decisive but not the only aspect of the relations of production. He failed to pay consistent attention to revolutionizing the other aspects of the relations of production (relations between people in production and distribution) and the superstructure.

To a large degree, Stalin proceeded from the assumption that once the question of ownership was largely settled—that is once public ownership had basically replaced private ownership—then all that was necessary was to achieve and master advanced technology and efficient management and in this way socialism would continue to achieve a more powerful material base and society would continue advancing toward communism. This incorrect view went hand in hand with Stalin's erroneous analysis that by the mid-1930s antagonistic classes had been eliminated in the Soviet Union. It failed to recognize that the bourgeoisie is constantly regenerated out of the contradictions of socialist society itself—such as between mental and manual labor, town and countryside, worker and peasant, as well as disparities in income arising from the application of the principle of "to each according to his work"—and that so long as these inequalities left over from capitalism persisted there would continue to be classes and class struggle, including the antagonistic struggle between the proletariat and the bourgeoisie which forms the principal contradiction under socialism.

Stalin himself repeatedly and resolutely fought against attempts to restore capitalism in the Soviet Union. But errors such as those briefly summarized above and the effects of these errors—which were greatly magnified during the Great Patriotic War against Germany, when a certain amount of compromise was necessary with bourgeois forces inside and outside the Soviet Union who were opposed to the fascist Axis—did take their toll. They allowed more ground for bourgeois forces, especially the bourgeoisie within the Soviet Party and state (those whose counterparts in China Mao was later to call "capitalist-roadsters") to prepare the ground for capitalist restoration while Stalin was still alive and then to carry out this retrogression not long after he died.

In his last few years Stalin did in fact address himself to some of the basic questions arising from the remnants of capitalism still surviving under socialism. Specifically, in *Economic Problems of Socialism in the USSR* Stalin pointed out that, while it did not play a regulating role in the economy, the law of value continued to operate within a restricted sphere. This was due, Stalin said, to the fact that in the countryside the form of socialist ownership was not state but collective, which was an important aspect of the continuing disparity between the city and countryside, and because commodity exchange hadn't yet been entirely replaced by a higher form of exchange.

Further Stalin addressed some of the major contradictions that would have to be resolved in order to advance to communism. Besides the disparity between town and country, he called particular attention to the mental/manual contradiction. Stalin stressed that in order to advance to communism it would be necessary to resolve these as well as other contradictions left over from capitalism—to eliminate the essential difference between town and country, mental and manual labor and so on.

But, at the same time, Stalin tended to treat the question of eliminating these differences almost entirely from the standpoint of developing production and raising the material and technical level of the masses and not very much from the standpoint of politics and ideology. In other words, Stalin did not put much emphasis on restricting these differences to the degree possible at each point and how this was dialectically related to the tasks of developing production, raising the material and technical level of the masses, etc., nor on the question of waging struggle in the ideological sphere to combat the bourgeois ideology which is fostered by these disparities.

One of the strongest points in this work by Stalin is his refutation of the revisionist deviations of L.D. Yaroshenko. "Comrade Yaroshenko's chief error," wrote Stalin, "is that he forsakes the Marxist position on the question of the role of the productive forces and of the relations of production in the development of society, that he inordinately overrates the role of the productive forces, and just as inordinately underrates the role of the relations of production, and ends up by declaring that under socialism the relations of production are a component part of the productive forces." (*Stalin, Economic Problems Of Socialism In The USSR*, Peking Foreign Language Press, 1972, p. 60)

Stalin went on to point out that the contradiction between the relations and forces of production continues to exist under socialism, because "the development of the relations of production lags, and will lag, behind the development of the productive forces." (*Ibid.*, p. 69) With a correct line in command, Stalin stressed, this contradiction would not become an antagonistic one, but the opposite would be the case if an incorrect line were applied.

But a shortcoming of Stalin's analysis of this question was that he still did not acknowledge the existence

of the antagonistic class contradiction between the proletariat and the bourgeoisie and the fact that the correct handling of the contradiction between the forces and relations of production depended principally on the correct handling of the contradiction between the proletariat and the bourgeoisie, on the waging of the class struggle against the bourgeoisie. In addition, as Mao emphasized, while Stalin insisted on the continuing existence of the contradiction between the forces and relations of production, he did not make the same point with regard to the contradiction between the economic base and the superstructure: "Stalin speaks only of the production relations, not of the superstructure, nor of the relationship between superstructure and economic base. . . . Stalin mentions economics only, not politics." And "Stalin's book from first to last says nothing about the superstructure. It is not concerned with people; it considers things, not people." (Mao, *A Critique of Soviet Economics*, "Concerning Economic Problems of Socialism in the USSR," and "Critique of Stalin's Economic Problems of Socialism in the USSR," pp. 130, 135)

In these criticisms, written in the late 1950s, Mao was not only reflecting certain important differences he had developed with the Soviet line even under Stalin, but he was also beginning to forge a further advance in Marxist-Leninist theory and practice on the question of political economy, in particular on the relationship between revolution and production. This was only forged, however, through sharp two-line struggle within the Chinese Communist Party around these same questions, struggle which was to continue and deepen over the remaining years of Mao's life.

In fact from the time that political power was won there developed a struggle within the Chinese Communist Party over what road to take—the socialist or capitalist road. From the first there were those who wanted to strictly apply the Soviet approach in economic construction, just as there had been those who earlier had wanted to blindly follow the Soviet model in the struggle leading up to the seizure of political power. The struggle against this deviation sharpened into an antagonism after the revisionist coup of Khrushchev & Co. in the mid-1950s when the Soviet model became a model for restoring capitalism. This strengthened the forces within the Chinese Communist Party who promoted a line that would lead China down the capitalist road.

Economic Policy in Liberated Areas

In opposition to this Mao increasingly developed a revolutionary line for building socialism, which was rooted both in the long experience and lessons of the Chinese revolution during the struggle for power and in a deepening summation of the Soviet experience and its positive and negative lessons, under Stalin's leadership and then with the triumph of revisionism. Some who had sided with Mao during the period of the new-democratic revolution came to regard his line and the basic principles guiding it as "outmoded" once political power was captured, and this became a more marked phenomenon the further China advanced into the socialist period. But Mao continued to fight for the understanding that the basic principles that had guided the successful, if protracted and complex, struggle for power must also guide revolution and construction in the socialist stage. Politics in command, reliance on the masses, recognizing the crucial role of the peasants and the importance of the countryside, combatting elitism and tendencies to bureaucratism—these and other points which reflected and flowed from the ideological and political line representing the outlook and interests of the proletariat continued to form the foundation of Mao's line.

From the first phases of the Chinese revolution, Mao stressed that, with regard to economic policy as in other fields, while carrying out the bourgeois-democratic revolution as the first stage and resisting "ultra-left" lines that would expropriate small-owning middle forces and drive them into the camp of the enemy, it was necessary during that stage to lay the basis economically as well as in other ways for the socialist future. In an article written in January, 1934, addressing the question of the economic policy in the liberated areas, Mao formulated it this way:

"The principle governing our economic policy is to proceed with all the essential work of economic construction within our power and concentrate our economic resources on the war effort, and at the same time to improve the life of the people as much as possible, consolidate the worker-peasant alliance in the economic field, ensure proletarian leadership of the peasantry, and strive to secure leadership by the state sector of the economy over the private sector, thus creating the prerequisites for our future advance to socialism." (Mao, "Our Economic Policy," *Selected Works*, Vol. 1, p. 141)

Later, in his major work "On New Democracy" written in January 1940 during the anti-Japanese war, Mao stressed that "we must never establish a capitalist society of the European-American type or allow the old semi-feudal society to survive." And he noted that as far as the economy of the new-democratic period was concerned, "In general, socialist agriculture will not be established at this stage, though various types of co-operative enterprises developed on the basis of

'land to the tiller' will contain elements of socialism." (Mao, *Selected Works*, Vol. 2, p. 353)

As explained in the first article in this series (REVOLUTION, April-May 1978), in order to unite all possible forces against the Japanese aggressors, for the duration of the anti-Japanese war the Chinese Communist Party adjusted its policy on agrarian economic relations, pulling back from the policy of confiscating the landlords' holdings in most cases and substituting instead the campaign to reduce rent and taxes. But this did not mean that such reduction could be achieved, nor certainly maintained, without a struggle.

Mao emphasized that "rent reduction is a mass struggle by the peasants," and that therefore "Party directives and government decrees [of the government in the base areas] should guide and help it instead of trying to bestow favours on the masses. To bestow rent reduction as a favour instead of arousing the masses to achieve it by their own action is wrong, and the results will not be solid." (Mao, "Spread The Campaigns To Reduce Rent, Increase Production And 'Support The Government And Cherish The People' In The Base Areas," *Selected Works*, Vol. 3, p. 131)

Mobilizing the masses was the key to carrying out rent (and tax) reduction, which in turn served as the basis for organizing the peasant masses to carry out production to support the revolutionary government and armed forces. And in this production drive, mobilizing the masses was also decisive. While insisting that "No one who fails to study production carefully can be considered a good leader," Mao sharply criticized those cadres who "take a conservative and purely financial point of view which concentrates on revenue and expenditure to the neglect of economic development. It is wrong to have a handful of government functionaries busying themselves with collecting grain and taxes, funds and food supplies to the neglect of organizing the enormous labour power of the rank and file of the Party, the government and the army, and that of the people, for a mass campaign of production." (*Ibid.*, p. 133)

Here a crucial question was at stake: how to ease the burden that the peasants had been forced to bear under the old rule while at the same time providing the necessary material base for maintaining the new regime and supporting the revolutionary armed forces in the war of resistance against Japan. The solution lay, Mao stressed, in mobilizing the Party rank and file and Party and government functionaries (cadre) as well as the army members as far as possible, together with the masses of people in the mass campaign of production. At the same time it was crucial to mobilize the masses both to transform production relations as far as possible—establish mutual-aid labor teams and other beginning forms of cooperation—and to make breakthroughs in developing new techniques in production, even with the still primitive means of production they possessed. Without this it would be impossible to unleash the activism and creativeness of the masses as the backbone of the war of resistance to Japan.

The participation of the troops in production was an important link in all this: it helped enable the burden of taxation by the revolutionary government to be lightened for the peasants. As Mao pointed out, if the soldiers spent three months of the year in production and devoted nine months to fighting and training, then the situation could be maintained where "Our troops depend for their pay neither on the Kuomintang government, nor on the Border Region Government [revolutionary government], nor on the people, but can fully provide for themselves." (Mao, "Get Organized!," *Selected Works*, Vol. 3, p. 154) This remained an important part of Mao's line on economic policy and specifically the relation between economic construction and warfare, resistance to aggression, in the socialist period as well.

In this well-known speech to labor heroes in the liberated areas ("Get Organized!") Mao again gave emphasis to the fact that there were two opposed methods of dealing with production problems:

"To organize the strength of the masses is one policy. Is there a contrary policy? Yes, there is. It is one that lacks the mass viewpoint, fails to rely on the masses or organize them, and gives exclusive attention to organizing the small number of people working in the financial, supply or trading organizations, while paying no attention to organizing the masses in the villages, the army, the government and other organizations, the schools and factories; it treats economic work not as a broad movement or as an extensive front, but only as an expedient for meeting financial deficits. That is the other policy, the wrong policy." (*Ibid.*, p. 155)

Mao went on to show again the links between present economic policy and the future advance to socialism. "The cooperatives," he pointed out, "are now the most important form of mass organization in the economic field." They represented a cornerstone in the bridge leading from the individual economy of the peasants that had existed for thousands of years under feudalism to the collective economy of socialism. Mao noted:

"This scattered, individual form of production is the economic foundation of feudal rule and keeps the peasants in perpetual poverty. The only way to change it is gradual collectivization,

and the only way to bring about collectivization, according to Lenin, is through co-operatives. We have already organized many peasant co-operatives in the Border Region [base area], but at present they are only of a rudimentary type and must go through several stages of development before they can become co-operatives of the Soviet type known as collective farms. Ours is a new-democratic economy, and our co-operatives are still organizations for collective labour based on an individual economy (on private property)." (*Ibid.*, p. 156)

Here Mao charted the basic course that cooperation in the Chinese countryside would undergo in advancing the peasant economy to socialist relations, with the first step, appropriate to the new-democratic period, being mutual-aid labor teams. As with everything else, Mao stressed that the success of these teams depended on the mobilization and conscious activism of the masses. In fact, Mao pointed out, "These methods of collective mutual aid are the inventions of the masses themselves," and the task of the Party was to sum up and popularize them. (*Ibid.*)

Several years later, with victory approaching in the anti-Japanese war, Mao emphasized again the importance of correctly handling economic policy. In particular, he criticized those comrades who did not base economic policy on the concrete conditions of China's revolutionary struggle, specifically the fact that this struggle was then centered in the countryside and must proceed by advancing from the countryside to the cities:

"We want to hit the Japanese aggressors hard and make preparations for seizing the cities and recovering our lost territories," Mao affirmed. "But how can we attain this aim, situated as we are in a countryside founded on individual economy, cut up by the enemy and involved in guerrilla warfare? We cannot imitate the Kuomintang, which does not lift a finger itself but depends entirely on foreigners even for such necessities as cotton cloth. We stand for self-reliance. We hope for foreign aid but cannot be dependent on it; we depend on our own efforts, on the creative power of the whole army and the entire people. But how do we go about it? By launching large-scale production campaigns simultaneously among the troops and the people." ("We Must Learn To Do Economic Work," *Selected Works*, Vol. 3, p. 191)

This was akin to the principle Mao applied in warfare—concentrating forces for a battle of annihilation—a principle he continued to apply to economic construction, in particular with regard to key links and key projects in the economy, both in the new-democratic and the socialist periods.

While he was specifically dealing with the situation then facing the revolution, the emphasis Mao gives in the quote above, on the importance of the countryside, on mobilizing the masses, on the army taking part in production as well as fighting and training, and on self-reliance generally—all these were not only of vital importance in the conditions of that time. They remained basic principles even after nationwide political power was won and the socialist period was entered.

Similarly, in the same article, Mao says, "Since we are in the countryside, where manpower and material resources are scattered, we have adopted the policy of 'unified leadership and decentralized management' for production and supply." (*Ibid.*) This was closely linked with the military principle that Mao developed of combining unified strategy and strategic command with decentralized command and flexibility and initiative in particular campaigns and battles. (See the last article in this series, REVOLUTION, June 1978, Section 2, p. 4) And this principle, too, was upheld and applied by Mao in the socialist period—though again, not without sharp struggle within the Communist Party itself.

Immediately following the defeat of the Japanese imperialists Mao again reminded the Party and the masses that the victories won through their own efforts could only be defended, and new victories achieved, by continuing to practice self-reliance. Preparing for the counter-revolutionary attempt of Chiang Kai-shek to seize the fruits of this victory and re-establish reactionary rule throughout China, Mao insisted that "As for the reactionaries in China, it is up to us to organize the people to overthrow them." ("The Situation And Our Policy After The Victory In The War Of Resistance Against Japan," *Selected Works*, Vol. 4, p. 19)

Using an example from an earlier period in the Chinese revolution, when a landlord in a particular area refused to surrender and held out in his fortified village until the revolutionary army swept in and cleaned him out, Mao called attention to the fact that there remained many such reactionary "fortified villages" in China and drew the lesson that "Everything reactionary is the same; if you don't hit it, it won't fall. It is like sweeping the floor; where the broom does not reach, the dust never vanishes of itself." (*Ibid.*)

What, then, could and must be relied on to sweep China clean of reactionary rule? Reliance must be placed, Mao said, on the masses of people led by the Communist Party. "On what basis should our policy rest?" he asked. "It should rest on our own strength, and that means regeneration through one's own ef-

forts." (*Ibid.*, p. 20) Again, this was also a basic principle that Mao fought for and applied not only in leading the Chinese new-democratic revolution to complete victory through successful revolutionary war against Chiang Kai-shek, but also in carrying forward socialist revolution and socialist construction following this victory. And, again, this Mao did only through waging sharp struggle within the Communist Party itself against those who opposed the policy of self-reliance and regeneration through one's own efforts.

Mao Analyzes New Tasks

On the other hand, policies adopted in the countryside during the long years of revolutionary struggle centered there could not be mechanically applied in the cities. And even in the countryside a distinction had to be drawn between agriculture and industry, between policies that guided the anti-feudal agrarian revolution and those that must be utilized with regard to capitalist production and commerce. To handle this correctly required more deeply arming the Party and the masses with the far-sighted outlook of the proletariat and educating them as to their general and long-term interests.

Mao addressed these questions in an article written in early 1948, when final victory in the war against Chiang Kai-shek could already be seen on the horizon and the question of capturing and administering larger cities was already an immediate one. Mao warned that "Precautions should be taken against the mistake of applying in the cities the measures used in rural areas for struggling against landlords and rich peasants." He further insisted that,

"A sharp distinction should be made between the feudal exploitation practised by landlords and rich peasants, which must be abolished, and the industrial and commercial enterprises run by landlords and rich peasants, which must be protected. A sharp distinction should also be made between the correct policy of developing production, promoting economic prosperity, giving consideration to both public and private interests and benefiting both labour and capital, and the one-sided and narrow-minded policy of 'relief', which purports to uphold the workers' welfare but in fact damages industry and commerce and impairs the cause of the people's revolution. Education should be conducted among comrades in the trade unions and among the masses of workers to enable them to understand that they should not see merely the immediate and partial interests of the working class while forgetting its broad, long-range interests." ("On The Policy Concerning Industry And Commerce," *Selected Works*, Vol. 4, p. 203)

What Mao was upholding here was both the correct policy for the present new-democratic stage of the revolution and the correct basis for making the future advance from this to the socialist stage. This was directly in opposition to a line which would have made the democratic revolution an end in itself and would have promoted welfarism and economism among the workers, pitting immediate short-term improvement in their conditions—"relief"—against their basic interests in establishing the material as well as political and ideological conditions for advancing to socialism—including the achievement of final victory in the war against Chiang Kai-shek.

Struggle against this kind of erroneous line was becoming increasingly decisive exactly because the seizure of nationwide political power was on the horizon. And with the achievement of political power the question of whether to take the capitalist or socialist road came to the fore. In March of 1949, in a most important speech to the Central Committee of the Chinese Communist Party, Mao analyzed the situation and the tasks immediately confronting the Party with the capture of the big cities and the victorious conclusion of the war of liberation against



Chiang Kai-shek and his U.S. imperialist backers.

The central task after the seizure of power, Mao said, must be production and construction. Why? Because otherwise political power could not be consolidated and the advance to socialism would, of course, also be impossible. As Mao bluntly pointed out, "If we know nothing about production and do not master it quickly, if we cannot restore and develop production as speedily as possible and achieve solid successes so that the livelihood of the workers, first of all, and that of the people in general is improved, we shall be unable to maintain our political power, we shall be unable to stand on our feet, we shall fail." ("Report To The Second Plenary Session Of The Seventh Central Committee Of The Communist Party Of China," *Selected Works*, Vol. 4, p. 365)

Here Mao was following a policy similar to that adopted by Lenin during the first few years of the Soviet Republic—the period of War Communism and then the NEP—when the rehabilitation of the national economy under the rule of the proletariat was decisive in determining whether or not the new state power of the proletariat would survive and be able to advance to take up the socialist transformation and development of the economy. But even under these conditions, as Lenin had insisted in fierce battle against Trotsky, Bukharin and other opportunists, the correct political line must lead, or else state power would be lost anyway by the proletariat and then of course it could not solve its production problems either.

So, too, Mao fought against incorrect lines that would either have given free rein to private capitalism and elevated its position above state enterprise in industrial policy or would have too severely restricted or even tried to eliminate private capitalism, not making use of it in rehabilitating and beginning to develop the economy. In opposition to both of these errors Mao insisted that "all capitalist elements in the cities and countryside which are not harmful but beneficial to the national economy should be allowed to exist and expand. This is not only unavoidable but also economically necessary. But the existence and expansion of capitalism in China will not be unrestricted and uncurbed as in the capitalist countries. It will be restricted from several directions—in the scope of its operation and by tax policy, market prices and labour conditions." (*Ibid.*, p. 368)

This policy of allowing but restricting capitalism and of gradually transforming private ownership in industry into socialist state ownership through a series of steps was essential to make the transition from new-democracy to socialism. During this process of transition and transformation, Mao pointed out, "Restriction versus opposition to restriction will be the main form of class struggle..." (*Ibid.*)

Such a policy, while correct with regard to the national capitalists—the middle bourgeoisie—absolutely could not be applied to the imperialists nor to the big bourgeoisie in China, the bureaucrat-capitalists, whose holdings constituted roughly 80% of China's capitalism. These had to be immediately confiscated, both to break the economic and political basis of their power and to liberate the productive forces and make possible the rehabilitation and rapid development of the economy. As Mao said, "The confiscation of this capital and its transfer to the people's republic led by the proletariat will enable the people's republic to control the economic lifelines of the country and will enable the state-owned economy to become the leading sector of the entire national economy. This sector of the economy is socialist, not capitalist, in character." (*Ibid.*, p. 367)

From New Democracy to Socialism

This, again, was crucial in making the transition from new-democracy to socialism. As Mao was later to sum up, "The struggle against bureaucratic capitalism had a two-sided character: it had a democratic revolutionary character insofar as it amounted to opposition to comprador capitalism, but it had a socialist character insofar as it amounted to opposition to the big bourgeoisie." ("Reading Notes on the Soviet Text *Political Economy*," *A Critique Of Soviet Economics*, p. 40. "Comprador capital" refers to Chinese capitalists, particularly in commerce, who served as agents of foreign imperialist interests)

Establishing the primacy of the state sector and control of the economy generally by the state led by the proletariat and its Party—this was the essential condition for achieving the transition to socialism. It was the key to resolving the main contradictions as they posed themselves during the period immediately after the seizure of nationwide political power.

At this point Mao made the all-important analysis that with country-wide victory in the new-democratic revolution, "two basic contradictions will still exist in China. The first is internal, that is, the contradiction between the working class and the bourgeoisie. The second is external, that is, the contradiction between China and the imperialist countries." ("Report To The Second Plenary Session Of The Seventh Central Committee Of The Communist Party Of China," *Selected Works*, Vol. 4, p. 369)

This analysis was to remain a decisive question of line and a sharp focus of two-line struggle within the Chinese Communist Party during the rest of Mao's life. Applying it then to the immediate situation and the task at hand, victory in the new-democratic revolution and the transition to socialism, Mao pointed out

that "The two basic policies of the state in the economic struggle will be regulation of capital at home and control of foreign trade. Whoever overlooks or belittles this point will commit extremely serious mistakes." (*Ibid.*)

At the same time Mao pointed to the tremendous importance of the peasant question and of continuing the agrarian revolution beyond the bourgeois-democratic step of land reform—which had been carried out on a broad scale by the end of the war of liberation. Providing "land to the tiller" eliminated the basis of feudal but not of capitalist relations in the countryside. "The serious problem is the education of the peasantry," he noted. "The peasant economy is scattered, and the socialization of agriculture, judging by the Soviet Union's experience, will require a long time and painstaking work. Without socialization of agriculture, there can be no complete, consolidated socialism. The steps to socialize agriculture must be co-ordinated with the development of a powerful industry having state enterprise as its backbone." ("On The People's Democratic Dictatorship," *Selected Works*, Vol. 4, p. 419)

Analyzing this in the realm of politics, the concentrated expression of economics, Mao pointed out that the people's democratic dictatorship—the form of the dictatorship of the proletariat corresponding to China's conditions with the victory of the new-democratic revolution—"is based on the alliance of the working class, the peasantry and the urban petty bourgeoisie, and mainly on the alliance of the workers and the peasants, because these two classes comprise 80 to 90 per cent of China's population. These two classes are the main force in overthrowing imperialism and the Kuomintang reactionaries. The transition from New Democracy to socialism also depends mainly upon their alliance." (*Ibid.*, p. 421)

In a period of seven years from the founding of the People's Republic in October 1949 the socialist transformation of ownership in both industry and agriculture was basically completed. But, of course, this was not accomplished without fierce class struggle both in society as a whole and within the Communist Party itself. During this period the class struggle—the struggle between the socialist and capitalist roads—focused mainly on the question of ownership. But there were also sharp struggles over questions of management, investment priority and other essential issues of economic policy.

Following the basic guidelines set forth by Mao, as outlined before, the Communist Party carried out the line in industry of immediately confiscating the holdings of imperialism and bureaucrat-capitalism while implementing the step by step transformation of national capitalism. This not only allowed the utilization of the positive role of national capital in rehabilitating and developing the economy but also the utilization of the national capitalists in management in the joint state-private enterprises that were set up as an important link in this transformation. At the same time the state enterprises themselves received the bulk of investment and were built up as the main sector. This was crucial in establishing and maintaining the dominance of the state component of the economy and in carrying through socialist transformation in industry.

Two Roads After Liberation

But of course all this gave rise to new contradictions and new struggles. In addition to the national capitalists who were made use of in managerial and even planning positions, the former big capitalists and other reactionary elements not only carried out sabotage and direct resistance to socialist transformation but a number of them actually succeeded in infiltrating key positions in the economy, including in the state sector. And as Mao had warned in his speech at the Second Plenary Session of the Seventh Central Committee in March 1949, a number of Party members who had stood up heroically to the actual bullets of the enemy during the long years of revolutionary warfare found it difficult to resist the sugar-coated bullets of the bourgeoisie in the new situation where these Party cadre were in positions of power.

To counter this, and as an essential part of carrying forward not only the rehabilitation of the economy but the policy for socialist transformation, the Party launched a struggle against the "three evils" of corruption, waste and bureaucracy in management and administration and the "five evils" of bribery, tax evasion, theft of state property, cheating on government contracts and stealing of economic information for private use. The seriousness with which these struggles had to be undertaken is indicated by the following statement by Mao in late 1951: "The struggle against corruption, waste and bureaucracy should be stressed as much as the struggle to suppress counter-revolutionaries." ("On The Struggle Against The 'Three Evils' And The 'Five Evils,'" *Selected Works*, Vol. 5, p. 65) And Mao called for linking the struggle against these "three evils" with that against the "five evils"—"This is both imperative and very timely," he insisted. (*Ibid.*)

This did not mean that in every case such struggle should be conducted as one between the people and the enemy, though in some cases that was necessary. Distinctions as to the seriousness of the cases should be drawn, but nevertheless the struggle must be sharply waged—"Only thus can we check the grave danger of many Party members being corroded by the

bourgeoisie," and prevent the disruption of economic development and transformation in the direction of socialism. (*Ibid.*, p. 64)

The successful waging of these struggles, however, could not be carried out only "at the top." It required the mobilization of the masses. And as Mao pointed out, an important part of combatting the "five evils" in particular was to "gradually establish a system under which the workers and shop assistants supervise production and management." (*Ibid.*, p. 69)

But an even more decisive struggle during this period was that within the Party itself against those who promoted and fought for a line in opposition to carrying out socialist transformation. Such revisionists, including Liu Shao-chi and other similar types in top Party leadership, argued that instead of making the transition from the democratic to the socialist stage after seizing political power the task was to "consolidate new democracy."

In the economic sphere, as against the policy of utilizing but restricting and transforming those sections of capital that could contribute to the rehabilitation and development of the economy, these bourgeois-democrats turned capitalist-roaders insisted that capitalism should be encouraged and promoted without restriction, even arguing that "exploitation is a merit." They bitterly opposed Mao who, after several years of successful rehabilitation of the economy, in accordance with the basic orientation he had set forth nearly four years earlier, formulated at the end of 1952 the general line for the transition to socialism, calling for bringing about the step by step development of socialist industrialization and socialist transformation of agriculture and handicrafts and capitalist industry and commerce.

To rationalize their opposition, these revisionists, represented in the realm of theory and philosophy by some reactionary scholars, most notably one Yang Hsien-chen, "churned out the so-called theory of 'synthesized economic base,' thereby provoking the first big struggle on the philosophical front" in New China. (See *Three Major Struggles On China's Philosophical Front*, Peking Foreign Language Press, 1973, introductory article with the same title, p. 3)

This bogus, bourgeois theory argued that during the period of transition the economic base should consist of the capitalist and socialist sectors co-existing in harmony and that the superstructure should serve both of these sectors and even serve the bourgeoisie. This echoed Bukharin who, as noted earlier, argued in the Soviet Union in the 1920s that capitalism would peacefully grow into socialism and that therefore the former should be fostered without restriction.

Of course, as pointed out, during the period of transition to socialist ownership in China private capital was allowed to play a certain role, but in order to advance on the socialist road it was necessary to establish the primacy of the socialist sector through the proletarian state and to wage class struggle to achieve the triumph of socialist relations over capitalist relations and bring about socialist transformation. To preach some kind of "harmony" between capitalism and socialism and to even argue that the superstructure, including state power, should serve both sectors and even serve the bourgeoisie meant in fact to champion the victory of capitalism over socialism and the establishment of bourgeois state power enforcing the exploitation of the proletariat and broad masses of people.

With regard to agriculture specifically, Liu Shao-chi and other revisionists opposed and actively tried to stifle and sabotage cooperative transformation. They insisted that any attempt to carry out collectivization must depend on the prior development of heavy industry, which in turn could only be developed by relying on foreign technology according to this view, and that in the meantime the peasants should go it alone in private farming. This, of course, could only lead to widespread polarization and the strengthening of the capitalist forces in the countryside.

Mao sharply criticized and vigorously fought against this line. He showed that in China collectivization must precede mechanization in agriculture and that unless cooperative transformation was carried out the worker-peasant alliance, which had been built during the stage of new democracy on the basis of a bourgeois-democratic program, could not be maintained and developed on a new, socialist basis.

By 1955 this struggle had reached a crossroads. Mao pointed out then that despite the step by step advance from mutual-aid teams to small agricultural producers' cooperatives, "What exists in the countryside today is capitalist ownership by the rich peasants and a vast sea of ownership by individual peasants. As is clear to everyone, the spontaneous forces of capitalism have been steadily growing in the countryside in recent years, with new rich peasants springing up everywhere and many well-to-do middle peasants striving to become rich peasants. On the other hand, many poor peasants are still living in poverty for shortage of the means of production, with some getting into debt and others selling or renting out their land. If this tendency goes unchecked, it is inevitable that polarization in the countryside will get worse day by day." ("On The Cooperative Transformation Of Agriculture," *SW*, Vol. 5, pp. 201-202).

Mao answered those trumpeting the revisionist line on this question by turning their arguments back against them. In response to the attack that he was advocating a rash advance in the countryside, and specifically in response to the statement "if you don't

get off the horse quickly, there will be the danger of breaking up the worker-peasant alliance," Mao replied:

"[This] is probably an 'argument' relayed down from the Rural Work Department of the Central Committee. This department not only manufactures rumours but also produces a lot of 'arguments'. I think that this statement is in the main 'correct'—only a single word needs to be changed, that is, the word 'off' be changed into 'on'. You comrades of the Rural Work Department do not have to feel discouraged, for I have accepted almost all your words and changed only one. The difference lies in a single word, our controversy is over just one word—you want to get off the horse while I want to get on. 'If you don't get on the horse quickly, there will be the danger of breaking up the worker-peasant alliance', and danger there certainly will be." ("The Debate On The Co-Operative Transformation Of Agriculture And The Current Class Struggle," *SW* Vol. 5, p. 217)

The only road forward, Mao made clear, was to mobilize the peasants "to combine further on the basis of these small semi-socialist co-operatives and organize large fully socialist agricultural producers' co-operatives." And there was every basis for this, Mao said; in fact it was the erroneous line of certain Party authorities that was holding things back. "We must now realize," he declared, "that there will soon be a nation-wide high tide of socialist transformation in the countryside." (Mao, op. cit., pp. 199, 202)

And Mao was correct. His line triumphed over the revisionist line; in a tremendous upsurge, socialist cooperative transformation triumphed over capitalist ownership in the countryside.

It was through this kind of struggle in society as a whole and in a concentrated way within the Communist Party itself that socialist ownership was in the main established in city and countryside, in industry and agriculture—and also in the same way in handicrafts and commerce—by 1956. But this did not mean the end of class struggle in society or in the Communist Party; it merely advanced socialist revolution and socialist construction and the struggle between the socialist and capitalist roads to a new stage.

Learning From Negative Experience of Soviets

By this time the People's Republic of China was well into its First Five-Year Plan, initiated in 1953. This plan was largely modelled after and incorporated extensive aid from the Soviet Union. It put too much emphasis on the development of heavy industry at the expense of agriculture and light industry and on highly centralized planning at the expense of local initiative. It called for such things as one-man management, reliance on specialists, and other measures such as extensive rules and regulations which suppressed rather than unleashed the activism of the workers—who were supposed to memorize and strictly abide by scores of such rules and regulations.

This was all to the liking of the revisionists in the Chinese Communist Party who refused to learn from and insisted on repeating the negative experiences of the Soviet Union. But it was increasingly not to the liking of Mao, who insisted on summing up these errors, while learning from the positive experience of the first socialist state.

In opposition to the Soviet model Mao had already begun to develop a different path for China's socialist development, one which was suited to its own conditions and, more than that, one which would avoid the errors and shortcomings of the Soviet Union even under Stalin's leadership. Significant steps in this direction were embodied in a speech by Mao to an enlarged meeting of the Political Bureau of the Communist Party's Central Committee in April 1956, "On The Ten Major Relationships."

In this speech Mao criticized the one-sided emphasis on heavy industry which still characterized planning and investment in China. He stressed that while the development of heavy industry should overall have priority, "the proportion for agriculture and light industry must be somewhat increased." (*SW* Vol. 5, p. 286) Light industry and agriculture, he pointed out, bring about faster accumulation than heavy industry, and therefore an increase in investment in these spheres, on the basis of an overall and long-range priority to heavy industry, would actually "lead to a greater and faster development of heavy industry and, since it ensures the livelihood of the people, it will lay a more solid foundation for the development of heavy industry." (*Ibid.*)

Here Mao was characteristically applying materialist dialectics in a throughgoing way. If too much priority was given to heavy industry at the expense of agriculture and light industry then both raw materials and the market for industry would be undercut and the cost of labor power in industry—in particular the cost of food—would be shoved up, and the release of labor power for industry would be obstructed by the retarding of agriculture. On the other hand, of course, if in the final analysis priority were not given to development of heavy industry, to the production of means of production, then agriculture and light industry would both suffer and stagnate, which in turn would further cripple the development of heavy industry, and the whole economy would be dragged down.

Mao expressed the dialectic this way:

"Here the question arises: Is your desire to develop heavy industry genuine or feigned, strong or weak? If

your desire is feigned or weak, then you will hit agriculture and light industry and invest less in them. If your desire is genuine or strong, then you will attach importance to agriculture and light industry so that there will be more grain and more raw materials for light industry and a greater accumulation of capital. And there will be more funds in the future to invest in heavy industry." (*Ibid.*)

This was the basis for the policy that was to be expressed in the formula that agriculture was the foundation of China's economy and industry the leading factor.

Mao was to apply the same kind of dialectical approach later in determining priorities within industry and agriculture. He developed the policy of taking steel as the key link in the former and grain as the key link in the latter, while ensuring on this basis all-around development in both industry and agriculture. This was also an example of politics in command, for left to spontaneity and the pursuit of profit both steel and grain and therefore ultimately the whole economy would suffer at the hands of more immediately "rewarding" pursuits.

In "On The Ten Major Relationships" itself Mao specifically criticized the policy in the Soviet Union which took too much of the product of the peasants and left them too few funds for further accumulation through their own efforts. "This method of capital accumulation," Mao said, "has seriously dampened the peasants' enthusiasm for production. You want the hen to lay more eggs and yet you don't feed it, you want the horse to run fast and yet you don't let it graze. What kind of logic is that!" (*Ibid.*, p. 291)

Although there had been errors in China in the direction of developing heavy industry at the expense of agriculture (and light industry) Mao said that overall China's approach to agriculture had been more correct than the Soviet Union's: "Our policies towards the peasants differ from those of the Soviet Union and take into account the interests of both the state and the peasants." He pointed out that the agricultural tax in China was relatively low and that in the exchange between agriculture and industry (through the state) conscious attention was paid to lowering the cost of machinery sold to the peasants and raising the price for their products, in order to begin reversing the dominance of town over country, industry over agriculture, inherited from the old society. But sharply combating tendencies within the Party and state to go against this correct policy, he warned that "In view of the grave mistakes made by the Soviet Union on this question, we must take greater care and handle the relationship between the state and peasants well." (*Ibid.*)

In a similar way Mao criticized the policy of putting too much stress on military construction and thereby undermining economic foundation construction. Again applying materialist dialectics to this question he pointed out that it was necessary to cut back the proportion spent on military construction and give more emphasis to basic economic construction or else not only would the economy suffer overall but, as a consequence, military construction would actually suffer in the long run as well.

In this same speech Mao also criticized overemphasis on central control of the economy at the expense of local initiative. What was developing in China then was the tendency for the central ministries to exercise tight control over the sector of the economy they were responsible for, right down to the local level. This not only stifled local initiative but actually undermined unified leadership over the economy as a whole.

In opposition to this Mao argued that "Our territory is so vast, our population is so large and the conditions are so complex that it is far better to have initiative come from both the central and the local authorities than from one source alone. We must not follow the example of the Soviet Union in concentrating everything in the hands of the central authorities, shackling the local authorities and denying them the right to independent action." (*Ibid.* p.292)

All this was to be carried out, of course, on the basis of—in dialectical unity with and not as an antagonism to—"strong and unified central leadership and unified planning and discipline throughout the country..." (*Ibid.*, p. 294) In fact, if handled correctly, the kind of local initiative Mao was calling for would, as noted above, strengthen not weaken what must overall be the main thing—centralized leadership and unified planning, with the Party as the guiding force.

"On The Ten Major Relationships" began to chart a clearly different course from the Soviet Union—and from much of economic policy in the first few years of the People's Republic of China, which was heavily influenced by Soviet methods. But while this speech addressed new problems arising in socialist construction and economic relations emerging with the basic transformation of ownership, it did not specifically deal with the fundamental question of class relations after the transition to socialist ownership. This was a problem Mao was to begin to write about within the next year.

In the meantime, at the 8th Congress of the Chinese Communist Party in 1956, Liu Shao-chi and other revisionists in top leadership of the Party promoted and actually got adopted the theory that the principal contradiction in China had become that "between the advanced socialist system and the backward social productive forces." This was the application of their revisionist line to the new situation where socialist ownership had been in the main established and it was no longer possible to oppose socialist revolution on the

basis of promoting the theory of the "synthesized economic base." This new theory of the principal contradiction represented "only another expression of the reactionary 'theory of productive forces' in the new circumstances." ("The Theory of 'Synthesized Economic Base' Must Be Thoroughly Criticized," *Three Major Struggles on China's Philosophical Front*, p.27)

What this theory said was that the class struggle was over, socialist relations had been established and the thing now was to concentrate on raising the level of technology and economic development of the country. The role of the masses was simply to work hard. This merged nicely with the line on economic policy that these revisionists had all along pushed, promoting reliance on bureaucratic methods of management, specialists in command and the treatment of the workers as mere labor power.

Mao, other revolutionaries in the Communist Party and the Chinese masses struck back at this counter-revolutionary line both in theory and in practice. In early 1957 Mao made two very important speeches in which, for the first time in the history of the international communist movement, it was explicitly pointed out that even after the basic achievement of socialist ownership the bourgeoisie continued to exist in socialist society and "Class struggle is by no means over. The class struggle between the proletariat and the bourgeoisie, the class struggle between the various political forces, and the class struggle between the proletariat and the bourgeoisie in the ideological field will still be protracted and tortuous and at times even very sharp. In this respect, the question of which will win out, socialism or capitalism, is not really settled yet." Again, what Mao was emphasizing was that "While we have won basic victory in transforming the ownership of the means of production, we are even farther from complete victory on the political and ideological fronts. In the ideological field, the question of who will win out, the proletariat or the bourgeoisie, has not yet been really settled." (On The Correct Handling of Contradictions Among The People," and "Speech At The Chinese Communist Party's National Conference On Propaganda Work," *SW* Vol. 5, pp.409, 434)

Here Mao gave tremendous emphasis to the role of the superstructure and struggle in this realm, politics and ideology in particular. At the same time he pointed not only to the continued existence of the contradiction between the economic base and the superstructure but also between the forces and relations of production. But he did not here give the same emphasis to continuing revolution on the economic front—to further transforming the relations of production—as he was to give in the next few years, both in theory and in practice.

Mao was clearly developing his thinking on contradiction and struggle in the socialist period in opposition to the revisionists in the Chinese Party and their counterparts in the Soviet Union who had already usurped supreme power there. The next year, 1958, saw these two fundamentally opposed lines and the two opposed roads come into even sharper conflict.

People's Communes and the Great Leap

That was the year that throughout the Chinese countryside the movement to establish people's communes erupted. Mao, in opposition to the revisionists in the Party, gave all-out support to and championed this earth-shaking event and the great leap forward of which it was a decisive part. Not only was the scale and scope of land ownership raised to a higher level, but in the people's communes masses of peasants took up small scale industrial production, including of such basic materials as steel, as well as many and varied construction projects. This was a completely unprecedented event in the countryside of China—or any other country for that matter. It was of great importance not only in narrowing the differences between town and country and workers and peasants but also in regard to the question of waging people's war in resistance to aggression according to Mao's revolutionary line, which required the greatest possible degree of local self-sufficiency, especially in the face of invading enemy forces that might initially occupy significant parts of Chinese territory and cut off different parts of China from each other.

It was during this same time that Mao formulated the general line for socialist construction—which along with the great leap forward and the people's communes came to be known as the "three red banners." This general line was one of "going all out, aiming high and achieving greater, faster, better and more economical results in building socialism."

This was not an abstract exhortation that everyone should try hard to get the best results. It gave concrete expression and support to the upsurge of the masses themselves as represented by the great leap forward and the people's communes and upheld these in opposition to the line that the only way to develop the economy was through the big, the foreign, the advanced and the centralized, and that as for China and the Chinese people they could only "crawl behind at a snail's pace."

Further, this general line was an expression of politics and ideology in command. As Mao was to point out, the first two parts of the general line—"going all out" and "aiming high"—refer to ideological questions, to the subjective factor, to conscious initiative. The last part—"achieving greater, faster, better and more economical results in building socialism"—refers to the results from the conscious

initiative of the masses. This was again a brilliant application of materialist dialectics as opposed to mechanical materialism.

So, too, as Mao pointed out, the second part of the general line must also be viewed dialectically. That is, "greater" and "faster"—which refer to quantity and speed—must be seen as a unity of opposites with "better" and "more economical"—which refer to quality and cost. If quantity is one-sidedly stressed at the expense of quality then quantity will itself be undermined (low quality products don't last as long and therefore actually represent less quantity in the long run). And if one-sided stress is placed on quantity and speed without regard to cost (or quality) then similarly the basis for expanding production and turning out more products will also be undermined in the long run. Once again, the key to handling these contradictions is to arouse and rely on the conscious activism of the masses themselves to correctly combine quantity, speed, quality and cost and in this way push the whole economy forward.

All this drove the revisionists in the Party into frenzied opposition—it flew directly in the face of every bourgeois prejudice and convention. They attacked Mao as an idealist—an attack that was consistently launched against Mao by the revisionists—charging that he "exaggerated man's conscious dynamic role." (See *Three Major Struggles on China's Philosophical Front*, introductory article with the same title, p.5)

Things came to a head at the Central Committee meeting in 1959. The revisionists, spearheaded then by Peng Teh-huai, then Defense Minister, seized on difficulties connected with the great leap forward and the people's communes—such as problems in transport, shortage of certain supplies and certain "left" excesses that accompanied these revolutionary upsurges—to launch an all-out attack on them and the whole revolutionary road they represented. Peng Teh-huai also was a leading spokesman for the demand that China's army be transformed into a "modern" army like that in the Soviet Union (and the Western capitalist countries), which went hand in hand with the demand that China's economic development return to the policy of one-sided emphasis on heavy industry and military construction at the expense of agriculture, light industry and all-around economic construction.

Mao led the revolutionaries in the Party's leadership in beating back this attack from the right at this famous Central Committee meeting at Lushan in 1959. He declared that the mass upsurge of the great leap forward was fine not terrible, even with its dislocations and disruptions and even if in the short run the economic returns were not uniformly high.

"The chaos caused was on a grand scale and I take responsibility," he said, throwing down the gauntlet to the rightists. He reminded them of what Marx's outlook had been on the Paris Commune. Marx did not take the standpoint that narrow and immediate results determine everything but reckoned from the viewpoint of the general and long-term interests of the proletariat, Mao said. When Marx realized that the Paris Commune "was the first proletarian dictatorship, he thought it would be a good thing even if it only lasted three months. If we assess it from an economic point of view, it was not worth while."

Besides, Mao added, while the main thing about the great leap forward was the fact that the masses had taken matters into their own hands and begun to make new breakthroughs—and thus it was wrong to assess it from the standpoint of immediate economic results—it was also true that unlike the Paris Commune the great leap forward and the people's communes, despite certain difficulties, would not fail. (See "Speech at the Lushan Conference," *Chairman Mao Talks To The People*, edited by Stuart Schram, p.146) In the face of this the revisionists were forced to beat a retreat.

At the same time, the Soviet Union, acting in co-ordination with the revisionists within the Chinese Communist Party itself, suddenly pulled out technicians and blueprints, leaving a number of vital construction projects unfinished and severely sabotaging the development of the Chinese economy. Following that, in the next several years China was hit by a series of natural disasters.

Taking advantage of all this the revisionists in the Chinese Communist Party's leadership launched another attack and, in fact, were able to gain the initiative in many areas, including in significant aspects of economic policy. It was during this period that Liu Shao-chi and others like him dished up "70 Articles" for the regulation of industry, which echoed earlier revisionist lines on the economy and which were to be echoed again later in the struggle over economic policy and its relation to class struggle.

These "70 Articles" called for reassertion of exclusive control by the central ministries, for cancellation of many construction projects, established the "market as the primary" object in production, and even called for the shutting down of factories that did not show a profit. They resurrected restrictive rules and regulations that had been reformed, called for instituting piece-work wherever possible—much of which had been criticized and eliminated—cut back the time workers were to spend in political study and demanded an end to political struggle in the factories. At the same time these regulations contained certain provisions supposedly dealing with the "well-being" of the masses—in other words promoting economism and welfarism. All this was necessary, the revisionists said, to put an end to disorder. At the same time these

renegades did not fail to take credit for advances in the economy whose basis was laid in the mass upsurges and the shattering of convention in the great leap forward—the very "chaos" they were condemning.

In the realm of the superstructure the revisionists also launched a number of attacks. Through literature and art works they clamored for the return to office of Peng Teh-huai—who had been dismissed following his defeat in 1959—and of course the return of the line he fought for in opposition to Mao's revolutionary line.

Two Line Struggle Sharpens

Mao counter-attacked. In 1962 at meetings of the leading bodies of the Party, he issued the call "never forget class struggle" and formulated what became the basic line of the Chinese Communist Party for the entire period of socialism:

"Socialist society covers a considerably long historical period. In this historical period there are still classes, class struggle, there is the struggle between the socialist road and the capitalist road, and there is the danger of capitalist restoration. We must recognize the protected and complex nature of this struggle. We must heighten our vigilance. We must conduct socialist education. We must correctly understand and handle class contradictions and class struggle, distinguish the contradictions between ourselves and the enemy from those among the people and handle them correctly. Otherwise a socialist country like ours will turn into its opposite and degenerate, and a capitalist restoration will take place. From now on we must remind ourselves of this every year, every month and every day so that we can retain a rather sober understanding of this problem and have a Marxist-Leninist line."

All this was a direct slap in the face to the revisionists, who preached the "dying out of class struggle" and argued that since there was socialist ownership there was no danger of capitalist restoration and only the necessity to boost production regardless of what methods were used to accomplish this. Mao championed the socialist education movement in opposition to this, to carry forward the class struggle and combat revisionist attempts at capitalist restoration.

During this same general period—the early 1960s—Mao also devoted serious attention to the questions of political economy and economic policy. This was a crucial part of both defending and developing his revolutionary line in opposition to the onslaughts of the revisionists.

Much of this was expressed in Mao's "Reading Notes on the Soviet Text *Political Economy*." Here Mao not only criticized revisionist deviations in the Soviet Union but summarized the importance of policies and methods that had been developed in China in opposition to revisionism.

These included the line on the relation between agriculture and industry, and other questions touched on in "On The Ten Major Relationships," the general line for building socialism, the importance of self-reliance and regeneration through one's own efforts, and the whole series of policies described by the formula "walking on two legs." These latter meant simultaneously developing small and medium-sized enterprises as well as large ones; making use of native as well as foreign technology and technique, and the backward as well as the advanced; bringing into play the role of the masses as well as experts in technical innovation; and other similar combinations.

Further, Mao contrasted in these "Reading Notes" the correct versus the bourgeois-bureaucratic approach to planning. "A plan," he pointed out, "is an ideological form. Ideology is a reflection of realities, but it also acts upon realities... Thus, ideological forms such as plans have a great effect on economic development and its rate." (*A Critique of Soviet Economics*, p.76)

Planning is not merely a technical question, nor does it involve simply the contradiction between ignorance and knowledge. It also involves class struggle in the ideological realm, between the world outlook and method of the proletariat and that of the bourgeoisie. Mao stressed that planning must take into account that development in everything, including in the economy, is not in the manner of a straight line but in spirals or waves. Further, Mao said, "Balance is relative to imbalance. Without imbalance there is no balance. The development of all things is characterized by imbalance. That is why there is a demand for balance... Plans constantly have to be revised precisely because new imbalances recur." (*Ibid.* pp.80, 81)

Here Mao was making a clear criticism of and delivering a direct rebuff to the revisionist approach to planning, which in essence denies the dialectical movement of things and attempts to impose order and balance from the top, through bureaucratic methods divorced from the masses and the actual development of the economy. And his whole approach to planning was another aspect in which Mao was stressing the tremendous importance of the superstructure and class struggle in this realm, in opposition to the revisionists who regard all this as "idealism."

Further, Mao not only noted as Stalin had that the law of value continued to operate and must be taken into account in planning, without allowing it to play a regulating role. But he also indicated, in disagreement

with Stalin, that the means of production—and not simply means of consumption—continued to have certain properties of commodities.

Commodity exchange relationships were bound to be reflected in the exchange of products even within the state sector itself. And since the state enterprises were still required to maintain a relative independence in accounting, their exchanges with each other were still significantly influenced by the operation of the law of value, the basic law of commodity production and exchange.

All this was unavoidable and would be to varying degrees for some time. But it could also be made use of by the bourgeoisie, especially capitalist-roaders in positions of power, to excessively widen the scope of the law of value in relations within and between different economic units, as a decisive part of their attempts to actually transform socialist relations into capitalist relations and restore capitalism in the country as a whole.

In these "Reading Notes" Mao expresses a further development of his thinking on the question of revolutionizing the relations of production after socialist ownership is in the main achieved. He attaches particular importance to the relations among people in production.

In one of the most significant parts of this article he writes the following:

"After the question of the ownership system is solved, the most important question is administration—how enterprises owned either by the whole people [the state] or the collective are administered. This is the same as the question of the relations among people under a given ownership system, a subject that could use many articles. Changes in the ownership system in a given period of time always have their limits, but the relations among people in productive labor may well, on the contrary, be in ceaseless change. With respect to administration of enterprises owned by the whole people, we have adopted a set of approaches: a combination of concentrated leadership and mass movement; combinations of party leaders, working masses, and technical personnel; cadres participating in production; workers participating in administration; steadily changing unreasonable regulations and institutional practices." (*Ibid.* pp.111,112)

These kinds of revolutionary steps were not just "good ideas" but were of great importance in the class struggle, in determining whether China would continue on the socialist road or be dragged down the capitalist road. If such revolutionary measures were not implemented, and a revolutionary line was not in command overall, Mao warned in 1963, "then it would not be long, perhaps only several years, or a decade, or several decades at most before a counter-revolutionary restoration on a national scale would inevitably occur, the Marxist-Leninist party would undoubtedly become a revisionist party, a fascist party, and the whole of China would change its colour. Comrades, please think it over. What a dangerous situation this would be!" (See *Three Great Struggles on China's Philosophical Front*, "The Theory of 'Combine Two Into One' Is a Reactionary Philosophy for Restoring Capitalism," p.59, and *On Khrushchov's Phony Communism And Its Historical Lessons For The World*, pp.106-107)

Obviously all this, too, represented a line in direct opposition to the whole bourgeois line as well as the set of economic policies of the revisionists, as represented by the "70 Articles." The two classes, two lines and two roads were again clearly on a collision course. The explosion that erupted from this was the Great Proletarian Cultural Revolution, which developed into a mass insurrection against the capitalist-roaders in 1966.

In the first few years of this revolutionary upsurge, which Mao not only championed but gave particular guidance to, the masses smashed the bourgeois headquarters of Liu Shao-chi in the Party, seized back power in various spheres of society where it had been usurped by the capitalist-roaders, upheld and carried out Mao's revolutionary line in opposition to the revisionist line and hit back at the reversals of the gains and correct verdicts of the great leap forward. Through this process further revolutionary transformations were carried out in the superstructure and the economic base.

Revolution in education and culture was carried forward with the overthrow of bourgeois authority in those realms. The study of Marxist theory was promoted on a broad scale and active ideological struggle encouraged on all levels. Revolutionary committees, new organs of power and of administration in the basic units as well as at the higher levels, were set up combining the masses, cadres and technical personnel as well as old, middle-aged and young people. Mass movements in science and technology, combining workers and peasants with professional personnel in these fields, were developed. Similar changes were brought about in health work, in which the emphasis was shifted to the rural areas, where most of the people lived and conditions, including in health care, were more backward.

In management the kinds of revolutionary advances in relations among people in production which Mao had called attention to—such as cadres participating in collective labor, workers taking part in administration,

the reform of irrational and restrictive rules and regulations—all these were further strengthened and developed. Also upheld and strengthened was the principle of politics leading vocational work and non-professionals armed with a correct line leading professionals. This was expressed in the slogan “red and expert”—with the “red” aspect in command. In most cases piece-work and bonuses were done away with and disparities in income were reduced to the degree possible in accordance with fostering comradely relations among different grades and types of workers and promoting socialist cooperation and activism in production. Similarly, socialist cooperation between different enterprises and economic units was developed to a higher level.

During the Cultural Revolution Mao concentrated the experience of the Chinese masses in socialist revolution and socialist construction, expressing the dialectical relationship between the two in the slogan “grasp revolution, promote production.” This principle correctly explains the relationship between revolution and production, between politics and economics, between consciousness and matter, between the superstructure and the economic base and between the relations of production and the productive forces.

In all these relationships the latter aspect is overall the principal one and is both the foundation and the ultimate point of determination for the other. But, on the other hand, in each case it is the former aspect that plays the initiating role in transforming the latter. Further, in each case the principal aspect tends to advance ahead of the secondary aspect and conscious action is required to bring this secondary aspect into correspondence with the principal one. Thus it can be seen that the overall secondary aspect has a tremendous reaction upon the overall principal aspect and at certain times can itself become principal.

Only by continuously unfolding revolution in the superstructure and making use of its initiating role—in particular the state power and ideology of the proletariat—is it possible for the proletariat to consolidate and develop the socialist economic base. Similarly, without continuing to revolutionize the relations of production, even after socialist ownership has in the main been accomplished, it is impossible to continue to liberate and thereby develop the social productive forces. And, as Mao had pointed out before, at those times when the relations of production and the superstructure act mainly as fetters on the further development of the forces of production and the economic base, then the relations of production and the superstructure become principal. (See, for example, “On Contradiction,” *SW* Vol. 1, p. 335)

And, at all times, only by commanding economics with politics is it possible for the proletariat to develop production along the socialist road. Only by arousing the conscious activism of the laboring masses is it possible to transform the material world in accordance with its objective laws and the revolutionary interests of the proletariat. In sum, this principle, “grasp revolution, promote production,” expresses the correct dialectical relationship between the two and promotes the role of revolution in commanding production.

Naturally, while this principle was grasped and applied by the masses of Chinese people to transform the world, it has been consistently opposed and attacked by the revisionists, and this was certainly true even during the height of the Cultural Revolution. In fact, at the 9th Congress of the Chinese Communist Party in 1969, in the midst of the Cultural Revolution, Lin Piao, who had masqueraded as a close comrade of Mao Tsetung and a leader of the masses in the Cultural Revolution, collaborated with other revisionists to oppose Mao's line on the relation between revolution and production and substitute for it the “theory of productive forces.”

This was done in the form of arguing that instead of class struggle the main task then was to develop production. Mao and other genuine revolutionary leaders rejected and defeated this line, emphasizing that waging the class struggle against the bourgeoisie remained the key link for all work.

At the First Plenary Session of the Communist Party's Central Committee following the 9th Congress, Mao spoke again to the relationship between revolution and production. He said then: “Apparently, we couldn't do without the Great Proletarian Cultural Revolution, for our base was not solid. From my observations, I am afraid that in a fairly large majority of factories—I don't mean all or the overwhelming majority—leadership was not in the hands of real Marxists and the masses of workers. Not that there were no good people in the leadership of the factories. There were. There were good people among the secretaries, deputy secretaries, and members of Party committees and among the Party branch secretaries. But they followed that line of Liu Shao-chi's, just resorting to material incentive, putting profit in command, and instead of promoting proletarian politics, handing out bonuses, and so forth.” Mao added that besides “there are indeed bad people in the factories” and that all this “shows that the revolution is still unfinished.”

Here Mao was giving deeper analysis to the question of production relations and classes and class struggle after socialist transformation of ownership has in the main been completed. He focused on the fact that as regards the matter of ownership it is not enough to determine whether or not it is public as opposed to private in form, but what is the essence of the owner-

ship, which after all is not a thing but a social relationship. If bourgeois forces and a bourgeois line are in command then public ownership will be merely the outer shell of bourgeois production relations. This is what happened in the Soviet Union as a whole with the seizure of supreme power by the revisionists in that country. And it is what happened to varying degrees in particular enterprises and other economic units controlled by the capitalist-roaders in China—this can and does happen even under the conditions where the proletariat holds political power in the country as a whole. This was what Mao was pointing out in speaking of factories—even a majority of them—which before the start of the Cultural Revolution were not under the command of a correct line and not under the leadership of real Marxists and the masses of workers.

All this is dialectically related to the fact that in society as a whole, while socialist ownership is in the main established, it is not completely established. In other words, in agriculture and even in industry the means of production have not yet been fully converted into the common property of all of society and therefore commodity production and the law of value still operate, though with a restricted scope. Until these and other vestiges of capitalism are eliminated in both the relations of production and the superstructure the possibility of socialist relations and institutions—and even socialist society as a whole—being transformed into capitalist ones cannot be eliminated. This understanding represented a real contribution by Mao Tsetung to Marxist-Leninist theory on these all-important questions.

In immediate terms, Mao's analysis of this in 1969 was not only a summation of the situation before the start of the Cultural Revolution but represented a sharp rebuke right then to Lin Piao and others who were attempting to declare that the revolution was over—or should be—and the thing to do was to put production in first place. But these revisionists refused to unite with Mao's revolutionary line and continued to fight for their own counter-revolutionary line. As a result of this, Lin Piao and some others were exposed, isolated and defeated. Not long after the 9th Congress Lin Piao himself died a traitor's death, fleeing toward the Soviet Union in September, 1971.

But the attempt to substitute the theory of the “dying out of class struggle” and the “theory of productive forces” for Mao's revolutionary line did not, of course, die with Lin Piao. At the 10th Congress of the Chinese Communist Party in 1973 it was pointed out that the program of making production the main task, which Lin Piao had pushed at the time of the 9th Congress, represented nothing more than “a refurbished version under new conditions of the same revisionist trash that Liu Shao-chi and Chen Po-ta [another opportunist leader in the Chinese Communist Party who was ousted a year before Lin Piao fell] had smuggled into the resolution of the Eighth Congress, which alleged that the major contradiction in our country was not the contradiction between the proletariat and the bourgeoisie, but that ‘between the advanced socialist system and the backward productive forces of society.’” Clearly this denunciation was a slap in the face not only to Lin Piao, who after all was dead, but as Mao was to say shortly, “people like Lin Piao,” who were at that time promoting the same reactionary line.

Mao continued to lead the Chinese Party and masses in revolutionary struggle down to his last breath. In the course of this struggle, shortly before he died, Mao issued a statement which said in part, “You are making the socialist revolution, and yet don't know where the bourgeoisie is. It is right in the Communist Party—those in power taking the capitalist road. The capitalist-roaders are still on the capitalist road.”

This was yet another important contribution of Mao's to Marxist theory and Marxist political economy in particular. Here Mao was not only calling attention to the fact that even after socialist ownership is in the main established new bourgeois elements will be engendered and the bourgeoisie as a class will continue to exist throughout the socialist period, but in particular to the fact that in these conditions the bourgeoisie—not the whole but the heart of it—will emanate from within the Communist Party itself, especially in its top ranks.

This is because of the position of the Party itself in socialist society and of the changes in class relations that arise with the development of socialism, especially after socialist ownership is in the main established. In this situation those people who have control over the means of production and over distribution are in the final analysis overwhelmingly Party members, particularly those in the top levels. This, again, is a reflection of the fact that the means of production have not yet fully become the common property of all of society and the masses of people have not yet become fully the masters of production and all of society.

Where a correct line is carried out by those in leadership, this contradiction will be moved in the direction of enabling the masses to increase their mastery of production and society. But where a revisionist line is in command, leadership will be transformed into a position of bourgeois domination and exploitation of the masses.

If, for example the division of labor in an enterprise is not restricted—and therefore leading personnel do not participate in productive labor and the workers do not participate in management—and at the same time the share of income leading cadre receive relative to the mass of productive workers is expanded rather

than restricted, then in fact their relation with the workers smacks of exploitation. In effect they are beginning to appropriate some of the surplus produced by the workers while they themselves have command over the workers and over production without taking part in production. Hence the importance of restricting as opposed to expanding bourgeois right in relations among people in work and in distribution. If this is not done and instead an incorrect line and policies are applied these two aspects of the relations of production can, together with the superstructure, exert a reactionary influence on what is overall the principal aspect of production relations—ownership—and can even transform the production relations from socialist to capitalist in essence.

This does not mean that the country has become capitalist if such a situation prevails in a large number or even a majority of enterprises at any given time; this will happen only through a change in the superstructure—only if the revisionists seize supreme power—and overall a revisionist line is in command in society. But, on the other hand, this is not a static thing and if bourgeois production relations are allowed to emerge and develop without opposition then the basis for revisionists in positions of power to pull off a reactionary coup and restore capitalism will be greatly strengthened.

Mao had touched on this problem in his “Reading Notes” on the Soviet political economy text: “In our experience, if cadres do not set aside their pretensions and identify with the workers, the workers will never look on the factory as their own but as the cadres’.” (*A Critique of Soviet Economics*, p. 86) And if a bourgeois line is in command and promoted and implemented by the leading cadres of the Party and state, the masses will look at not only the factories but the means of production as a whole and society in general as belonging not to them but to a privileged stratum—and the masses will be correct. This, again, stems from the transitional and contradictory nature of socialist society, and as such it will either be resolved in a revolutionary direction, in the advance toward communism, or, in the short run, in a counter-revolutionary direction down the capitalist road to the restoration of the old order.

Mao's analysis here is an application of Lenin's statement that politics is the concentrated expression of economics. In socialist society control over the economy is concentrated as the power of political leadership. It is this power of leadership resting on this material basis which in the hands of capitalist-roaders enables them to carry off capitalist restoration and act as the core and commanders of the social forces in society, inside and outside the Party, who can be mobilized to support such a restoration. This is why Mao also insisted shortly before his death that “if people like Lin Piao come to power, it will be quite easy for them to rig up the capitalist system.”

This is why Mao put so much emphasis on the superstructure and insisted that the decisive question was the correctness or incorrectness of the ideological and political line. For it is this that will determine whether political leadership power represents the revolutionary interests of the proletariat in advancing to communism or represents a new bourgeoisie and suppresses the masses in the interests of capitalist restoration. It is also why Mao put so much emphasis on arming the masses with a Marxist-Leninist line and mobilizing them on this basis to struggle against the capitalist-roaders. For this is decisive in preventing a revisionist seizure of power and capitalist restoration and continuing the advance toward communism.

From all this can be seen the great significance of Mao's last major statement on this question: that the bourgeoisie “is right in the Communist Party—those in power taking the capitalist road.” This analysis of Mao's is of life and death importance to the proletariat and Marxist revolutionaries in waging the class struggle under socialism for the ultimate aim of communism. It is a powerful new weapon of the proletariat in this struggle.

This is another important reason why Mao Tsetung's contributions in the field of political economy in particular, as well as in economic policy and socialist construction—and in other areas—represent a further advance for the proletariat and its revolutionary science. These contributions are truly immortal and can never be erased, denied or downgraded regardless of any events in the world. ■

¹ In charting this course, it should be noted, Mao was in no way joining with or following after certain revisionists outside China who took a so-called “independent” road in economics and politics—that is, who took the capitalist road under the banner of opposing Stalin and the Soviet Union under his leadership. What these renegades opposed in Stalin was not his errors—for example his tendency toward adopting aspects of the “theory of the productive forces,” to put experts in command, etc. What they opposed in Stalin and the Soviet Union under his leadership was exactly what was correct and overall the main thing about them—the fundamental upholding of Marxism-Leninism and the building of genuine socialism on this basis.