

HELP THE HANDICRAFTSMEN ORGANIZE AND TAKE THE SOCIALIST ROAD

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The handicraft producers' co-operatives in China have achieved a great deal and accumulated much experience since their formation. Both their achievements and their experience will play a tremendous role in socialist transformation of the handicraft industry.

Handicraft production plays an important role in our national economy. According to last year's survey by the State Statistical Bureau, China's more than 10 million handicraft workers provided a total output value of more than 100,000 billion yuan.²⁹⁹ They produce most of the manufactured goods used by peasants. Only a small part is produced by machine. Handicrafts provide from 60 to 80 per cent of the peasants' needs. Manufactured goods provide only 20 to 40 per cent. Our handicraft techniques are fairly advanced. Quite a few products sell well in both domestic and foreign markets. The various handicraft trades turn out a great variety of products. According to data presented at this conference, there are more than 40 trades in southwestern China alone. In one way or another these trades involve production of ceramics, household hardware, bamboo and wooden articles, lacquerware, farm tools, and weighing and measuring instruments. They engage in sugar refining, wine making and flour milling and turn out leather and furs. They undertake spinning and weaving, carving and embroidery, and make cosmetics, stationery and musical instruments. In short, they contribute almost every kind of daily necessities used by the people. Despite the fact that some of these handicraft trades have or will become outdated with the growth of industry, there are still many that need to be expanded. At this initial stage of our industrial development when

²⁹⁹ Speech at the Third National Conference on Co-operative Handicraft Production.

the supply of light industrial products falls far short of the increasing needs of the people, the handicraft industry takes on even greater importance. Those handicraftsmen whose products are indispensable to the national economy and the people's livelihood will play a significant role in the economic development of our country, if we help them get organized, give them systematic guidance in production and help them increase labour productivity. This does not mean, of course, that we can afford to neglect the development of modern industry. Rather, we must attach due importance to the development of the handicraft industry while at the same time stimulating the growth of modern industry.

Socialist transformation of the individual handicraft industry is an integral component of the Party's general line or general task in the transition period. We should gradually change the handicraft economy from individual to collective ownership by organizing co-operatives. Co-operatives are the only form of organization by which we can transform the individual handicraft economy and help it in its transition to socialism.

Handicraftsmen are both labourers and private owners of the means of production. If we leave them out of our socialist transformation, they might go capitalist. Of course not all of them could become capitalists. Only a few could get rich, while the majority would go bankrupt and be unemployed. Thus handicraftsmen would have no future if they went capitalist. In China today, they still have many difficulties in their work and life because of their scattered productive activities, meagre funds and the small number of outdated tools. They produce in an erratic way and have both busy and slack seasons. Moreover, they are subject to exploitation by middle men in buying raw materials and selling products. Therefore, it is necessary to help them organize co-operatives, which will make possible the collective purchase of raw materials and the collective marketing of their products, thus preventing their exploitation by capitalists. This will also enable them to engage in normal production so that they can better serve agricultural and industrial production and the daily life of the people.

Handicraft producers' co-operatives are needed in the cities, but even more urgently in rural areas. China has more than 225,000 townships, the smaller ones of which each have several thousand people and the larger ones more than 10,000. If handicraftsmen are organized in all of these townships, they will constitute a considerable

force in expanding production. As for the actual method and the chief organizational form to be used, they can pool their shares, use their own tools, divide labour and co-operate with one another on the merit of their specific skill and distribute income according to work. The Party and government should provide active guidance and, where necessary and possible, the government should grant loans and other forms of assistance. In this way, not only will exploitation be eliminated, but production will grow and life improve. With increased production, they will be able to buy machines with money out of the public accumulation fund and move gradually from manual labour to partly or even fully mechanized production. This will enable them to turn out more and better products at lower cost.

We should redouble our efforts to organize handicraft producers' co-operatives in order to build socialism. Generally speaking, we should work from the lower to the higher level, from primary production groups step by step to producers' co-operatives. Where conditions are ripe, producers' co-operatives may be organized right away. However, it is necessary to avoid undue stress on concentrated production, indiscriminately merging small co-operatives into large ones, seeking premature mechanization or adopting too many complicated regulations, lest these impede the overall development of co-operatives. The Beijing Confectionery Producers' Co-operative was set up by three unemployed workers who only intended to secure a livelihood for themselves. Already it has developed into a fair-sized factory with more than 100 workers. Similarly, the Shanghai Iron Bed Producers' Co-operative originally was started by 30 or so unemployed workers. In the beginning they had no funds, no workshops, no tools or machinery. Often they had to work in the rain. But now this co-operative has become a large enterprise with more than 200 workers. Its balance sheet at the end of last September put its profits and accumulation fund at 2.5 billion yuan. It has allocated 600 million yuan for building new workshops and 100 million yuan for purchasing new equipment. These examples show that co-operatives are the type of organization that meets the urgent needs of handicraft workers. Usually, these co-operatives start from scratch and grow only gradually. Our task is to organize them and provide guidance so that they may steadily expand. There should be no unrealistic demands on them in the beginning. We should be flexible and adopt whatever organizational forms are necessary and possible and suit the requirements of the handicraftsmen involved. Under no circumstances should

we impose a rigid and uniform formula, for that will only hinder co-operative development. As for the admission of small handicraft proprietors to co-operatives, I believe that if they have skills, no longer engage in exploitation and are willing to work and accept government guidance, they should be allowed to join. There is no harm in admitting them so long as they accept government guidance and do not take positions of leadership in the co-operatives. As for those who have never employed full-time workers but have only taken on apprentices, they should, in keeping with Government Administration Council regulations, be classified as self-employed labourers rather than proprietors.

The handicraft industry covers a wide range of trades and professions, and cadres will be needed for getting the handicraftsmen organized. We cannot meet the shortage of cadres solely by running schools and training courses. Cadres can be selected from among the handicraftsmen themselves. In China there are more than 10 million handicraft workers, many of whom play an essential role and are activists in the co-operative movement. We can explain to them the prospects of co-operatives as well as how to run them and let them organize themselves. It is not always necessary for us to send people to serve as co-operative directors. But we can send them some accountants after their co-operatives have expanded.

Once established, co-operatives should be consolidated. Those which meet the needs of the national economy should be allowed to exist permanently. Producers' co-operatives already in existence should not be dissolved rashly. If the original method of organization was faulty, it can be improved step by step. Co-operative members who have made mistakes may be educated or, if necessary, punished according to law. Impurities within the ranks of the co-operative members should be dealt with on a case-by-case basis. A co-operative should not be allowed to disintegrate merely because of some problems. It is wrong to let some established co-operatives go out of existence, as happened in the past.

Some handicraft co-operatives may exist for a considerably long time, not only during the period of transition but also once the socialist society is fully established. This is because co-operatives have unique characteristics. In the first place, they can make use not only of indigenous raw materials but of waste material from large factories. China abounds in resources. It has indigenous raw materials such as rattan, bamboo, twigs from shrubs, reeds, timber, silk and bast fibres.

There is also a lot of waste material from large factories (scraps of iron and steel, remnants of cloth, etc.). These can be turned to good use after being reprocessed or recycled by handicraftsmen. Not only can their products meet local needs, some can be exported as well. Secondly, workers in handicraft producers' co-operatives possess skills that cannot be duplicated in modern, mechanized industries. For instance, some traditional and special arts and crafts, such as carvings, engravings and embroidery, cannot be produced solely by machines. Some comrades have said, "There will be no need for a handicraft industry when the state-owned industry has developed." This view is wrong. Thirdly, products from the handicraft producers' co-operatives mainly serve local needs, so a lot of money is saved on their transportation. The co-operatives are closely tied in with the rural economy. They can exchange their goods needed by the peasants for grain and raw materials and so do their share in helping solve the unemployment problem. It is thus clear that development of handicraft producers' co-operatives is indispensable to socialist construction and is of great importance in the consolidation of the worker-peasant alliance. They are not merely "for the purpose of creating jobs for some people". Still less are they a "burden".

Now China has more than 4,800 handicraft producers' co-operatives, with a membership in excess of 290,000. Their capital totals more than 260 billion yuan, of which only a little over 60 billion is share capital. The value of their combined total output this year will exceed 5,000 billion yuan. Clearly, this is no small achievement. In the days ahead, however, we should make greater effort to study and solve the problems that arise so as to ensure even greater development of our handicraft producers' co-operatives.