

## Resolution on Implementing Planned Purchase and Planned Supply of Grain

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CPC Central Committee

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In the past few years, due to the implementation of land reform throughout the country, the rural productivity was liberated from the shackles of feudal forces, and the enthusiasm of farmers for production was brought into play. Therefore, the national agricultural economy recovered relatively quickly, with bumper harvests for several consecutive years. A lot of effective work was done in terms of grain supply, so that grain production exceeded the highest level before liberation. Grain trade changed from large-scale imports before liberation to stopping imports and allowing small-scale exports, while maintaining the basic stability of the grain market. However, due to the increasing needs of cities and industries, the people's living standards have improved year by year, and the amount of food consumed has increased. In particular, due to the existence of a free grain market and the disruption of grain speculators, rural households with surplus grain have stored and waited for high prices and are unwilling to sell grain quickly. This is reflected in the supply and marketing, that is, the national grain procurement plan cannot be completed on schedule, and grain sales have far exceeded the plan, resulting in an imbalance in supply and marketing and a tense market. This situation is still developing after the autumn harvest this year. Up to now, the purchase and sales situation across the country is: some cannot complete the procurement plan, and some have completed the procurement plan, but the sales figures have greatly exceeded the sales plan. This shows the great seriousness of the grain problem. If we do not try to solve this problem, then on the grain front, a serious chaotic situation of disconnection between supply and marketing will inevitably emerge soon, which will lead to price fluctuations that will affect the entire national construction plan. It must be pointed out that although the growth rate of commercial grain output in the country now lags behind the growth rate of grain demand, as long as the allocation and measures are appropriate, it is still enough for food and use, and there can be a slight surplus. The tension in supply and marketing now reflects the contradiction between the state planned economy and the small peasant economy and the free market, the contradiction between the leadership of the working class and the spontaneous forces of the peasants and the anti-restriction stance of the bourgeoisie, and ultimately the contradiction between socialist factors and capitalist factors. Therefore, the grain problem cannot be solved by taking side measures, but finding a fundamental solution to solve this extremely serious problem has become an extremely urgent task for the whole party at present.

In order to fundamentally solve the grain problem and put the grain supply on a long-term and stable basis, in addition to striving to promote mutual assistance and cooperation in agricultural production and technological improvement to increase grain production and gradually increase the speed of grain production to a level sufficient to ensure the forward development of the national economy, the following measures must be taken throughout the country: (1) Implement a policy of planned grain purchase (referred to as unified purchase) for households with surplus grain in rural areas; (2) Implement a policy of planned grain supply (referred to as unified marketing) for urban people and rural people who are short of grain, that is, implement a policy of appropriate grain quota distribution; (3) Implement a policy of strict state control of the grain market, strict control of private grain industry and commerce, and strictly prohibit private merchants from freely operating grain; (4) Implement a grain management policy under the unified management of the central government, with the central and local governments sharing responsibilities. The above four policies must be

implemented simultaneously throughout the country, except for a few remote areas and some ethnic minority areas. The above four policies are interrelated and cannot be unified. If only planned purchase is implemented without planned supply, the market sales cannot be controlled; if only planned supply is implemented without planned purchase, sufficient commercial grain cannot be obtained. If the grain market is not strictly controlled by the state and unified management is not implemented by the central government, it will be impossible to deal with the free market and speculators. Moreover, the mutual confrontation between artificial grain mountains will give speculators more opportunities to cause trouble, and as a result, planned purchases and planned supplies will not be realized.

The implementation of the above policy will not only properly resolve the contradiction between food supply and demand under the current conditions, stabilize prices more effectively, and help save food; it is also an important step that must be taken to incorporate the scattered small peasant economy into the track of national planning and construction, guide farmers onto the socialist road of mutual assistance and cooperation, and implement socialist transformation of agriculture. It is an indispensable part of the Party's general line in the transition period.

According to rough calculations, the state must have 70 billion catties of commercial grain every year in order to control the grain market with confidence and meet the needs of urban residents and rural residents who are short of food. Therefore, in addition to the 27.5 billion catties of grain collected from agricultural taxes nationwide, it is necessary to purchase 43.1 billion catties from farmers. Although this is a large number, farmers have some surplus grain due to the bumper harvests of the past three years. This year's harvest is not bad, and the total grain output is equivalent to that of 1952. As for the grain figures that farmers have contributed, in 1952, the total amount of grain that farmers paid to the state and sold to the state and private merchants was about 67 billion catties. This year, if planned purchases are implemented, the amount of grain that farmers have to contribute will not exceed 3 billion catties, so this is possible.

However, the planned purchase of grain (unified purchase) involves the vital interests of the vast majority of farmers, first of all the vast majority of middle peasants. It will not only encounter resistance from speculators and sabotage by counter-revolutionaries, but also, if the work is not done well, it will be opposed by some households with surplus grain. Therefore, when implementing planned purchase, (1) the unified purchase price must be reasonable. The unified purchase price set by the state is based on the principle of neither loss nor profit, on the basis of roughly maintaining the existing urban selling price. Under this principle, the unified purchase price of autumn grain in various parts of the country will generally maintain the current purchase price. Only when the grain price in adjacent places between certain large regions and other individual places is set unreasonably will it be adjusted. At present, the unified purchase price has not yet been promulgated. The purchase price of various places shall not be approved by the large regions and shall not be raised. (2) The unified purchase price and the types of grain to be purchased must be uniformly determined by the central government. Whether miscellaneous grains are subject to unified purchase and the types of unified purchase shall also be determined by the central government, so as to reasonably determine the regional price difference and adjust the price ratio of varieties and eliminate the possibility of grain speculation. (3) The unified purchase price must be fixed to overcome the farmers' mentality of expecting the price of stored grain to rise. Under the given purchase figures and purchase prices, farmers can pay grain in instalments and withdraw money in instalments; they can pay grain in one go and withdraw money in one go; or they can pay grain in one go and withdraw money in instalments. In the latter case, the bank can offer more favorable interest. The above methods can be adopted according to local conditions. (4) While implementing the unified purchase,

it is necessary to strengthen the supply of materials in rural areas and strengthen the production of local state-owned industries and handicrafts so that the cash obtained from the sale of grain by farmers can be used to buy materials necessary for production and life, so as to facilitate farmers. (5) The scope of unified purchase should be slightly larger, not too small, so as to facilitate the completion of the unified purchase task. (6) The implementation of unified purchase must be fully politically mobilized, and the method of issuing control figures by the superiors and democratic evaluation by the masses must be adopted. The control figures should be announced at the township level so that the masses have a clear idea. (7) The transportation of grain into warehouses should be subject to the transportation method of public grain into warehouses. (8) In order to help poor farmers overcome difficulties and avoid excessive concentration of grain purchase funds, the method of pre-purchase of grain should be considered in 1954.

It should be pointed out that the implementation of the state's planned grain purchase is only disadvantageous to profiteers, grain speculators and exploiters who hoard grain for huge profits, and the spontaneous capitalist tendencies among the peasants. It is beneficial to all peasants, including those with surplus grain. This is not only because the peasants get reasonable grain prices and benefit from price stability, but more importantly, it is the result of the struggle between the state and grain speculators and the spontaneous capitalist forces of the peasants, which will free the peasants from the manipulation and exploitation of the speculators and accelerate the peasants' awareness of socialism, thus accelerating the development of the mutual aid and co-operation movement. Only by taking the road of mutual aid and co-operation and the road of socialism can the peasants finally get rid of their poverty, live a life that is getting richer year by year, and increase the commercial grain supply in large quantities to meet the needs of urban and rural people. If the truth is explained clearly to the peasants, they will surely support it. Therefore, it can be said that the implementation of planned purchase not only does not harm the interests of the peasants, but protects their interests, not only does not harm the worker-peasant alliance, but strengthens it, not only does not hinder the peasants' enthusiasm for production, but if the work is done well, it can give full play to the peasants' enthusiasm for production.

Our planned supply (unified marketing) is different from the rationing system in capitalist countries, and even more different from the rationing system during the Japanese occupation era, because our supply is sufficient, the variety of food is in line with the health needs of the people, and the scope of our supply not only guarantees cities above the county level, but also includes towns, including food-deficient cash crop areas, including about one-tenth of the rural population who are food-deficient households, and the supply of food to disaster areas every year. That is to say, the population we guarantee supply to is nearly 100 million in rural areas alone, and the total number is close to 200 million including cities. Due to the implementation of planned supply, these 200 million urban and rural people can eat the food they need at a reasonable price without being exploited by profiteers. Therefore, this is a measure that is extremely beneficial to the majority of the people.

The implementation of planned supply is a new task for the state and the people, just like planned purchase. It is impossible to formulate a unified and perfect system at the moment. Therefore, when it is first implemented in cities, only some simple and easy-to-implement methods can be stipulated, and they can only be implemented from simple to complex, from lenient to strict. For organized masses, they can be used through their organizations, and for ordinary citizens, they can temporarily purchase with their household registration books. In market towns, cash crop areas, disaster areas and general rural areas, for households in need of food, the method of issuing control figures by the superiors and democratic evaluation by the masses should also be adopted, so that the real households in need of food can buy the food they need, and the sales volume of food can be

controlled. For hotels, prepared food industries, food industries, etc., they should be supplied with quotas based on the average actual sales volume in a certain period of time in the past, and they are not allowed to purchase on their own. The above specific methods will be determined by local areas according to actual conditions. In the planned supply, the adjustment of food varieties will become a very important task. It is necessary to provide an appropriate amount of fine grains for major cities and industrial and mining areas. However, since the country's fine grain production is insufficient, it is necessary to educate the people to eat what they have and eat coarser grains, so as to facilitate unified dispatch and matching across the country. Grain processing must improve purity and reduce precision to save grain. This is beneficial to people's health. In short, planned grain supply can more effectively guarantee the food needs of urban and rural people, guarantee national construction, and can better guarantee the stability of grain prices and general prices. The result of implementation is the same as planned purchase, and only grain speculators will be hit. Therefore, this measure will be supported by the majority of urban and rural people. However, it must be noted that when the supply begins, people are not used to it for a while, and some may have concerns. The variety supply cannot be satisfactory, which may cause dissatisfaction among some people. For these, we need to find better and feasible methods in the process of implementation, and do sufficient publicity and education work.

In order to implement planned supply, state-owned grain stores, cooperatives or sales agencies must be appropriately configured in cities and towns to supply grain. If there are no such supply agencies at present, they should be configured before the implementation of planned supply.

#### Four

In order to ensure the implementation of the planned collection and supply policies, strict management of the grain market must be implemented, the grain market must be controlled by the state, and grain must be purchased and sold by the state. Therefore: (i) All state-owned, local state-owned, public-private joint-venture and cooperative stores and factories related to grain management and processing must be under the leadership of local grain authorities to make the power of management centralized. (ii) Strict control measures must be adopted for private grain merchants. All private grain stores are not allowed to freely operate grain. However, they can be entrusted by the state grain authorities to handle the business of selling grain on behalf of the state under strict supervision of the state, that is, they can only play the role of sales agents. Small grains are also managed by the state. In a short period of time before the state is ready, some grain merchants can be temporarily allowed to operate under supervision. (iii) All private processing plants must be commissioned by the state grain department to process, or introduced to legal consumers to process according to the precision specified by the state. They are not allowed to purchase raw materials and sell finished products by themselves. (iv) All non-grain merchants are prohibited from engaging in grain business across industries. (5) Suburban farmers transport grain to the city for sale, which will be purchased by state stores and cooperatives. Private merchants are not allowed to purchase grain for profit. (6) In cities, residents can adjust their consumption between surplus and shortage, and adjust the needs of different habits and different grain varieties at designated state stores and cooperatives or grain markets established by the state (agent stores are not allowed to operate this business); in rural areas, farmers can freely store and use the surplus grain other than the public grain paid and the planned grain purchased, and can sell it to the state at the listed price, or trade it in the grain market established by the state, and can communicate and exchange small amounts of grain between rural areas. (7) In order to effectively control grain merchants and ban speculation, local inspection agencies should be organized to conduct regular inspections and supervision, and unscrupulous merchants who violate state laws must be strictly dealt with.

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In order to ensure the implementation of the planned purchase and supply policy of grain, the central government must implement unified management, unified command and dispatch. The determination of all policies and guidelines, all purchase and supply quantities, purchase and supply standards, purchase prices and supply prices, etc. must be uniformly stipulated by the central government or approved by the central government; local governments, under the established principles and principles of policies and guidelines, shall take local conditions into consideration, divide responsibilities and ensure their implementation. The specific division of labor between the central government and local governments is as follows: (i) The purchase and supply plan of grain shall be issued by the State Planning Commission with control figures. The various regions shall formulate plans based on the control figures and local conditions and submit them to the central government for approval. Then, they shall be responsible for purchase, supply and storage according to the plan. (ii) All grain allocated to the various regions in accordance with the plan shall be controlled and dispatched by the various regions. (iii) In addition to the grain allocated to the various regions, other grain, including grain for transfer between the various regions, export grain, reserve grain, national mobile grain, national disaster relief grain, etc., shall be coordinated and dispatched by the central government. (iv) If the various regions encounter difficulties that they cannot overcome themselves, the central government shall be responsible for solving them. (v) When the central government deems it necessary and possible to transfer a certain amount of grain from the local areas, the local areas must obey the dispatch of the central government. (vi) The standards for planned supply shall be proposed by the regions and submitted to the central government for approval. (vii) The central government shall uniformly determine the grain prices for a number of large and medium-sized cities and adjacent areas between large regions. The regions and provinces shall determine the grain prices for other towns based on the principles set by the central government and submit them to the central government for approval.

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As mentioned above, the planned purchase and supply of grain is a major issue that concerns every urban and rural citizen, especially every farmer. If this work is done well, it can consolidate the worker-peasant alliance and, in an important aspect, lead the vast majority of farmers to the track of the state-planned economy and away from the capitalist free market. It can stimulate the farmers' enthusiasm for production and increase production, greatly reduce waste, save grain, and greatly push rural work forward. If it is not done well, the policy is not stable, and the mobilization and persuasion work is not done enough, it will cause dissatisfaction among the masses, and even some large and small riots will occur under the instigation of counter-revolutionaries. What is more important, it will affect the enthusiasm for production in rural areas and produce wasteful phenomena such as excessive consumption and arbitrary loss of grain. Therefore, it is necessary to mobilize the strength of the whole party and carry out sufficient work among the broad masses of people, mainly the farmers, in order to complete this extremely arduous task.

It must be pointed out that the key to implementing this policy lies in educating Party members and farmers. When Party members and the peasant masses do not understand the necessity and importance of this policy, they will encounter resistance within the Party and among the peasants. Therefore, we must first convene a series of meetings within the Party to explain the truth to cadres at all levels and all Party members, and then use them to explain the truth to all peasants. We must make them understand the Party's general line and general task in the transition period, which is to

build our country into a great socialist country and make our country transition from new democracy to socialism within about three five-year plans, or about fifteen years. We must make them understand that only by implementing the Party's policy of socialist transformation of agriculture in the transition period, that is, guiding agriculture to transition to socialism step by step in about fifteen years on the principle of farmers' voluntary participation through the path of developing mutual assistance and cooperation, can we gradually develop agricultural productivity and increase agricultural output, so that all farmers can truly escape poverty and become increasingly wealthy, and the country can obtain a large amount of commercial grain and other agricultural products. They should understand that only by implementing a policy of planned purchase and planned supply of grain can we guarantee the grain supply of the country and the people, stabilize commodity prices, safeguard economic construction, crack down on grain speculators and profiteers who hoard grain, combine the individual interests of the peasants with the common interests of the country and the entire people, combine the immediate interests of the peasants with their long-term interests, and guide the peasants to abandon the capitalist road and gradually move towards the socialist road of mutual assistance and cooperation. They should understand that if we do not implement a policy of planned purchase and planned supply of grain, and allow grain speculation and exploitation to develop freely, that is, if we allow the rural economy to develop freely according to the economic laws of capitalism, the result will be that, except for a small number of speculators and exploiters who will become the bourgeoisie, the vast majority of peasants will fall into a poor position of being exploited and enslaved. Therefore, it is necessary to implement a policy of planned purchase and planned supply, which is beneficial to the peasants. Make them understand that the construction of national industrialization is in the highest interests of the entire people and the farmers. Only by realizing socialist industrialization can the state use machinery to help farmers develop collective farms, so as to greatly and rapidly improve agricultural productivity and provide farmers with abundant and cheap living materials. Therefore, vigorously helping the cause of national industrialization and supporting the state's policy of planned procurement and planned supply is an important obligation of farmers to the country and a manifestation of farmers' patriotism. As long as the reason is explained clearly, farmers will definitely support it.

It must be pointed out that to implement this policy, win over the working peasants, overcome the backwardness of the peasants who only care about their personal interests and ignore the interests of the country, and isolate the minority of grain speculators is an extremely complex and arduous new task. Therefore, the whole party must be mobilized and go all out to do this work well. A large number of capable cadres who can grasp the policy must be sent to the countryside. The responsible officials of the Central Bureau, provincial party committees, prefectural party committees and governments at all levels should go to the countryside in person to study the situation, grasp the policy, create and promote experience in a timely manner, and reduce deviations and mistakes as much as possible, except for a few who stay to handle daily work during the planned purchase period. In particular, we must pay great attention to the backward areas and backward villages, which account for about 10% of the rural areas, and send capable cadres to take charge, because this is where trouble is most likely to occur.

Finally, in terms of time arrangement, in order to ensure that the work is done fully, all localities are required to complete mobilization and preparation at all levels before the end of November 1953; and the unified purchase of rural supplies will be started simultaneously throughout the country in early December. As for the planned supply in cities, appropriate dates can be determined according to local conditions and implemented earlier after approval by the Central Committee.